Pilani Investment and Industries Corporation Limited

75th Annual Report 2021-22

CORPORATE PROFILE

DIRECTORS
(as on 27.05.2022)

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. Kothari & Company
Chartered Accountants
1E, Neelkanth,
26-B, Camac Street,
Kolkata - 700016

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
Email :pilaniinvestment1@gmail.com

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Notice of the Annual General Meeting

NOTICE is hereby given that the 75th Annual General Meeting of the Shareholders of **PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED** will be held on **Friday, 9th September, 2022 at 4.00 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, 2022, 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, 2022.

3. To appoint a Director in place of Smt. Rajashree Birla (DIN: 00022995) who retires from office by rotation, but being eligible, offers herself for re-appointment.

4. To re-appoint the Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass the following resolution, as a **Special Resolution:**

   “**RESOLVED THAT** pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable laws, rules and regulations, consent of the Members be and is hereby accorded to the continuation of Smt. Rajashree Birla (DIN: 00022995), who has attained the age of 75 years, as a Non-Executive Director of the Company.”

6. To consider, and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   "**RESOLVED THAT** in terms of the provisions of Regulation 31A (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and subject to necessary approvals from the Stock Exchanges where the equity shares of the Company are listed, namely, National Stock Exchange of India Limited (NSE) and BSE Limited or such other authorities as may be empowered in this regard by the SEBI and other appropriate statutory authorities as may be required, approval of the Members be and is hereby accorded to reclassify the status of following person (hereinafter referred to as the 'Outgoing Promoter') from "Promoter and Promoter Group" category to the "Public" category shareholding of the Company in accordance with the provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended :

Sr. No.	Name of the Promoter/Promoter Group to be reclassified	No. of shares held as on the date of this notice
1	Central India General Agents Limited	420 (0.00 %) Equity Shares

   “**RESOLVED FURTHER THAT** upon receipt of necessary approval(s) for reclassification for the aforementioned outgoing promoter, the company shall effect such re-classification in the statement of Shareholding pattern of the company from the immediate succeeding quarter under Regulation 31 of SEBI (LODR) Regulations, 2015, as applicable, and other applicable provisions for the time being in force.”

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"**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution(s), the Board or the officers authorised by the Board be and are hereby severally authorized to intimate Stock Exchanges post members approval, and to submit a reclassification application to the Stock Exchanges within the permitted time, and thereby execute all such documents, instruments, papers and writings etc., on behalf of the company, as may be required from time to time and to do all such acts and deeds as may be necessary to give effect to the aforesaid resolution(s) and to settle any questions or difficulties or doubt that may arise in this regard."

Registered Office:	By Order of the Board
Birla Building	**R. S. Kashyap**
9/1, R. N. Mukherjee Road,	*Company Secretary*
Kolkata - 700001	FCS- 8588
25th July, 2022	

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 08th 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 rules made thereunder on account of the threat posed by Covid-19" and circular nos. 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022, dated 05th May, 2020, 13th January, 2021, 08th December, 2021, 14th December, 2021 and 05th May, 2022 respectively in relation to "Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM)-reg." (collectively referred to as 'MCA Circulars') permitted the Companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31st December, 2022 through VC / OAVM, without the physical presence of the members at a common venue and also provided relaxation from dispatching of physical copies of Notice of AGM and financial statements for year 2022 and considering the above MCA Circulars, Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" ('SEBI Circular') provided relaxation upto 31st December, 2022, from Regulation 36(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') which requires sending hard copy of the Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013 ('Act') to the shareholders who have not registered their email addresses. In compliance with the MCA Circulars and SEBI Circular, 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, 75th 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, 5 and 6 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

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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 sdalmiya.associates@gmail.com by email through registered email address with a copy marked to helpdesk.evoting@cdslindia.com latest by 5:00 p.m. on Thursday, 8th September, 2022.

5. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the 75th AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021- 22 will also be available on the Company's website www.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 and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited at www. evotingindia.com.

6. Register of Members and Transfer Books of the Equity Shares of the Company will remain closed from Saturday, 3rd September, 2022 to Friday, 9th September, 2022 (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 2013 - 2014 has been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions 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) and also on the website of the Ministry of Corporate Affairs.

   b. In terms 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 2014-15 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, 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
31st March, 2021	16th September, 2021	15th October, 2028

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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.

9. Pursuant to SEBI circulars dated November 3, 2021, and December 15, 2021, with regards to common and simplified norms for processing investors' service request by Registrars and norms for furnishing PAN, KYC details and nomination by the holders of physical securities, SEBI has made it mandatory for holders of physical securities to furnish PAN, KYC and nomination details by 31st March, 2023, and link their PAN with Aadhaar by 31st March, 2022. Members are requested to submit their PAN, KYC and nomination details to the Company's Registrar through the prescribed forms already sent to them.

10. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our Registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the Share Transfer Agent / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

11. Members are requested to submit their PAN, KYC and nomination details. 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.

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 75th 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 Tuesday, 6th September, 2022 at 9.00 A.M IST and ends on Thursday, 8th September, 2022 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 Friday, 2nd September, 2022 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.

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(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.

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	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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	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: https://eservices.nsdl.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https:// www.evoting.nsdl.com/ 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 & voting during the meeting
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 **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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(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.

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 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:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)..

(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.

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(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 and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email addresses viz; sdalmiya.associates@gmail.com and pilaniinvestment1@gmail.com latest by 5:00 p.m. on Thursday, 8th September, 2022, 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 shareholders/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.

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(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 Tuesday, 30th August, 2022, 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 Tuesday, 30th August, 2022, 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.

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 Friday, 2nd September, 2022. 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, 5th August, 2022.

15. The shareholders shall have one vote per equity share held by them as on the cut-off date of Friday, 2nd September, 2022. 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, 5th August, 2022 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. Smt. Shweta Dalmiya of M/s S. Dalmiya & Associates, Company Secretaries (Certificate of Practice Number 19603) 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/her in writing, who shall countersign the same and declare the result of the voting forthwith.

Notice (Contd.)

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 her 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 in the Explanatory Statement to Item No. 5.
21. 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

The Members of the Company at their 70th Annual General Meeting ("AGM") held on 24th August, 2017 had appointed M/s Vidyarthi & Sons, Chartered Accountants (ICAI Firm Registration Number: 000112C) as the Statutory Auditors of the Company for a period of 5 (five) years, to hold office from the conclusion of the 70th AGM until the conclusion of the 75th AGM of the Company. Accordingly, Vidyarthi & Sons have completed four years out of their existing term.

The Reserve Bank of India, vide its circular dated 27th April, 2021, issued Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) (the "Guidelines"/ "Circular"). The aforesaid Guidelines specify various requirements relating to appointment/re-appointment of auditors, including in respect of tenure of auditors, mandatory rotation and cool off periods. Further, in order to protect the independence of the auditors/audit firms, the tenure for appointment of said auditors/audit firms is required to be 3(three) years. Subsequently, the RBI had also released Frequently Asked Questions (FAQs) dated 11th June, 2021, inter alia clarifying that the existing Statutory Auditors who have completed 3 years with an entity would not be able to continue as auditors with effect from second half of the financial year 2021-22, even though they may not have completed their present tenure as approved by the Members of the Company.

Consequently, in terms of the RBI Guidelines and related FAQs, M/s. Vidyarthi & Sons shall not be eligible to continue as the Statutory Auditors of the Company with effect from the second half of the current financial year and hence vide their letter dated 13th November, 2021, have tendered their resignation with immediate effect which is post submission of limited review report for the quarter and half-year ended 30th September, 2021 and after furnishing all requisite certifications for the aforesaid period.

The Audit Committee and the Board of Directors of the Company have taken note of the said resignation and also the fact that there were no reasons whatsoever, specified by them for the resignation apart from the eligibility requirements prescribed under the aforesaid RBI Guidelines.

In order to comply with the requirements of the Guidelines, the Board of Directors, based on the recommendations of the Audit Committee, had on 10th December, 2021 appointed M/s. Kothari & Co., Chartered Accountants, (ICAI Firm Registration Number: 301178E) as the Statutory Auditors of the Company upto the conclusion of the 75th Annual General Meeting which was duly approved by the Members of the Company vide Postal Ballot.

Further, the Board of Directors at its meeting held on 26th May 2022, upon the recommendations of the Audit Committee, have proposed the re-appointment of M/s Kothari & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of the 75th Annual General Meeting upto the conclusion of the 77th Annual General Meeting of the Company.

The Statutory Auditors have confirmed that their re-appointment, if made, will be within the limit specified under the Act and RBI Guidelines. They have also confirmed that they are not disqualified to be re-appointed as Statutory

Notice (Contd.)

Auditors in terms of the provisions of the Section 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and the RBI Guidelines.

Pursuant to Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following details are mentioned below for the information of Members:

Proposed audit fee payable to auditors	The fees proposed to be paid to M/s. Kothari & Co. towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) for the financial year 2022-23 and 2023-24 not to exceed Rs. 10 Lakhs for each year.
Terms of appointment	Pursuant to Section 139(8)(i) of the Act, initially the term of appointment of M/s. Kothari & Co., shall be from the conclusion of the 75th Annual General Meeting upto the conclusion of the 77th Annual General Meeting of the Company.
Material change in fee payable	No material changes in fee for the proposed auditors.
Basis of recommendation and auditor Credentials	The Audit Committee and the Board, based on the credentials of the firm and partners, asset size of the Company and eligibility criteria prescribed under the Act and RBI Guidelines commends the re-appointment of M/s. Kothari & Co. as Statutory Auditors of the Company The brief profile of Statutory Auditors' firm is as under: Kothari & Co., Chartered Accountants was established in the year 1951 and the Firm has seven partners and nine Chartered Accountants. The Firm is listed in the panel of Comptroller & Auditor General of India, Reserve Bank of India, Indian Bank Association. The Firm has conducted the Statutory Audits of UCO Bank, Bank of Maharashtra & Reserve Bank of India (Eastern Region) & also Maharatna Companies like Power Grid Corporation of India. The Firm has also carried out Statutory /Internal Audits in diverse areas such as Manufacturing Industry, Trading Concerns, NBFC's, Charitable Trusts etc. Besides, the Firm also has experience in Income Tax Appellate Matters, Company Law matters in NCLT. The partners have wide and varied experience of being actively associated with leading companies, ICAI & Apex Chambers of Commerce.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions, except to the extent of their shareholding, if any, in the Company. The Board commends the resolutions set forth in Item No. 4 of the notice for approval of the members.

ITEM NO. 5

Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") effective from 1st April, 2019, requires the listed entities to obtain approval of shareholders by way of a Special Resolution to appoint or continue the directorship of Non-Executive Directors who have attained the age of 75 years.

Accordingly, a Special Resolution is being proposed to be passed by the members for the continuation of holding the office of Non-Executive Director by Smt. Rajashree Birla (DIN: 00022995), who has attained the age of 75 years till she becomes liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013, in the Annual General Meeting of the Company.

Smt. Birla, aged about 77 years, Bachelor in Arts is a Non-Executive Director and also Chairperson of the Corporate Social Responsibility Committee of the Board of your Company. She is physically fit and in good health.

Notice (Contd.)

Smt. Birla is the Chairperson of the Aditya Birla Centre for Community Initiatives and Rural Development. Smt. Birla spearheads the social and community welfare activities across 40 companies in the Aditya Birla Group. The Aditya Birla Centre for Community Initiatives and Rural Development's work in education, healthcare, sustainable livelihood and social reform has created a positive difference in the lives of millions of people.

The significant extent and reach of the Aditya Birla Centre for Community Initiatives and Rural Development in uplifting and empowering communities exemplify Smt. Birla's inspirational leadership in corporate philanthropy. Her vision to elevate the underprivileged sections of society has inspired her to lead social causes including providing homes to the homeless & destitute and healthcare to the needy. Smt. Birla is a role model and an iconic leader for those who aspire to bring about positive changes in society.

A visionary and philanthropist par excellence, Smt. Birla has been recognised with various awards for her exemplary work in the field of social welfare including Padma Bhushan, one of the highest civilian awards instituted by the Government of India.

Smt. Birla holds a lot of important positions in various organisations involved in initiatives for social welfare and promotion of art and culture. Besides she is associated with various charitable trusts and educational, cultural & philanthropic institutions.

Smt. Birla is a Director on the Board of highly reputed listed companies prominent among them are Century Textiles and Industries Limited, Century Enka Limited, Grasim Industries Limited, Hindalco Industries Limited, UltraTech Cement Limited and various Aditya Birla Group of Companies, national and international. She is the Chairperson of your Company and Century Enka Limited. Smt. Birla has not resigned from the Directorship, from any of the listed entities in which she acts as a Director in the past three years.

Smt. Birla is not related to any other Director of the Company. She is not acting as the Chairman/Member of any Committee of Directors of other public limited companies. {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}. She does not hold any equity shares in the Company.

Except Smt. Birla, 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 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Keeping in view the above, the Board of Directors commends the approval by the Members for the continuation of directorship of Smt. Rajashree Birla as a Non- executive Director, notwithstanding she attaining the age of seventy five years. The aforesaid may also be treated as brief resume of Director seeking re-appointment at the Meeting.

ITEM NO. 6

Central India General Agents Limited, one of the Promoter Group Companies, holds 420 equity shares constituting 0.00 % of the paid up share capital of the Company.

Central India General Agents Limited, have approached the Company and expressed their desire to reclassify the entire shares held by them in the Company from "Promoter and Promoter Group" category to "Public" Category.

The outgoing Promoter is no longer associated with the business of the Company in any manner, and do not exercise any control over the day to day affairs of the Company, directly or indirectly, or have any influence over the business and policy decisions made by the Company.

The Board noted that the Outgoing Promoter satisfy all conditions specified in sub-clauses (i) to (vii) of clause (b)

Notice (Contd.)

of sub-regulation (3) of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Further, as required under Regulation 31A(3)(c) of the Listing Regulations, the Board also noted that:

a. the Company is compliant with the minimum public shareholding requirements as required under regulation 38 of the Listing Regulations;

b. trading in the equity shares of the Company have not been suspended by the stock exchanges where the equity shares of the Company are listed ("Stock Exchanges"); and

c. the Company does not have any outstanding dues to the Securities and Exchange Board of India, the Stock Exchanges or the depositories.

Accordingly, on the basis of the aforesaid rationale provided by the outgoing Promoter and the confirmation that they satisfy the requirements of Regulation 31A of the Listing Regulations, the Board is of the view that the requests made by the Outgoing Promoter for reclassification of their shareholding in the Company be accepted and approved. However, the approval of the Board is subject to the further approval of the shareholders of the Company, and BSE Limited and the National Stock Exchange of India Limited, and any other consents and approvals which may be required in this regard.

In accordance with Regulation 31A of the SEBI Listing Regulations, the said reclassification requires the approval of the stock exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the stock exchanges for granting such approval, the Stock Exchanges, inter alia, requires that the Company obtain the consent of the shareholders of the Company, for the reclassification. Accordingly, the Board recommends the resolution set out at Item No. 6 for the approval of the shareholders of the Company, by way of an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolutions, except to the extent of their shareholding, if any, in the Company.

Registered Office:

Birla Building
9/1, R. N. Mukherjee Road,
Kolkata – 700001
25th July, 2022

By Order of the Board

R. S. Kashyap
Company Secretary
FCS - 8588

Boards' Report

Dear Shareholders

Your Directors are pleased to present the 75th Annual Report of the Company alongwith the Audited Financial Statements for the year ended 31st March, 2022. The Financial Results for the year are shown below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	**2021-22**	2020-21
Total Income	**26,046.29**	21,000.29	**25,779.39**	19,958.18
Less: Total expenses	**6,632.74**	5,976.11	**6,638.25**	5,988.73
Less: Exceptional Items	**-**	-	**-**	-
Profit before tax	**19,413.55**	15,024.18	**19,141.14**	13,969.45
Add/(Less): Tax expense	**(4,488.54)**	(3,284.27)	**(4,511.95)**	(3,295.82)
Profit after tax	**14,925.01**	11,739.91	**14,629.19**	10,673.63
Add/(Less): Share in profit of associate company				
Net profit after tax and share in profit of associate Company		-	**5,513.23**	(1,007.76)
Profit for the year	**14,925.01**	11,739.91	**20,142.42**	9,665.87
Add / (Less): Actuarial gain on defined benefit plan (gratuity) Net of Income Tax	**0.79**	(7.94)	**21.67**	67.54
Realised gain on equity share	**2,913.30**	16,509.82	**2,913.30**	16,555.97
Less: Current tax on realised gain	**326.54**	1,888.71	**326.54**	1,888.72
Add: Balance brought forward from previous year	**1,48,767.82**	1,29,978.89	**1,84,313.62**	1,67,477.11
Balance Available	**1,66,280.38**	1,56,331.97	**2,07,064.47**	1,91,877.77
Appropriations				
Dividend paid	**1,660.84**	1,977.19	**1,660.84**	1,977.19
Additional tax on dividend paid	**-**	-	**-**	-
Transfer on account of issue of bonus share	**-**	316.35	**-**	316.35
Transfer to Reserve u/s. 45-1C of Reserve Bank of India Act, 1934	**3,502.51**	5,270.61	**3,502.51**	5,270.61
Closing Balance of retained earnings	**1,61,117.03**	1,48,767.82	**2,01,901.12**	1,84,313.62

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, 2022, 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, there has been no change in the Share capital of the Company.

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 15 /- (Rupees Fifteen only) per equity share of ₹ 10/-

Boards' Report (Contd.)

each equivalent to 150% (One Hundred Fifty percent) on the paid up equity share capital of the Company for the year ended 31st March, 2022 as against ₹ 15/- (Rupees Fifteen only) per equity share equivalent to 150% (one hundred fifty percent) paid in the previous year on the equity shares of ₹ 10/- each. 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, 2022.

DIRECTORS

The Board of Directors, on the recommendations of the Nomination and Remuneration Committee have appointed Smt. Rajashree Birla as the Non- Executive Chairperson of the Company for a period of three years with effect from 1st April, 2022.

Smt. Rajashree Birla (DIN: 00022995) will be retiring at the ensuing 75th Annual General Meeting of the Company and being eligible, offers herself for being re-elected.

Securities and Exchange Board of India ("SEBI") has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide circular dated 9th May 2018 which require for re-appointment/ continuance of any Non-Executive Director who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution. Since Smt. Birla has attained the age of 75 years, the Board commends the resolution for approval of the shareholders for the continuation of Smt. Birla as Non-Executive Director of the Company liable to retire by rotation. The continuation of Smt. Birla as the Non-Executive Director will be of immense benefit for the company taking into account her vast and rich experience and deep business acumen. Proposal for the continuation of Smt. Birla as Non-Executive Director of the Company liable to retire by rotation is included in the Notice convening the 75th Annual General Meeting of the Company along with Explanatory Statement as required under Section 102 of the Companies Act, 2013.

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 9th February, 2022 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

Boards' Report (Contd.)

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 2021-22 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

During the year under review, four Board Meetings were held. The details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings are provided 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 alongwith 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, 2022 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;

(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.

Boards' Report (Contd.)

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.

The Internal Auditors reviews the efficiency and effectiveness of the aforesaid systems and procedures. The Internal Auditors submit their report periodically which is placed before and reviewed by the Audit Committee of the Company on quarterly basis.

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 2021-22 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.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2022, is available on the Company's website https://pilaniinvestment.com/images/Draft Annual Return 2022.pdf

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, 2022 are mentioned in the Annual Return.

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 2022. However, the NIL disclosure in prescribed form AOC-2 as on 31st March, 2022 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.

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.

Boards' Report (Contd.)

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 and is also attached as **Annexure - A** 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 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.

During the year your Company had contributed ₹ 101.28 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 - C** and forms part of this Report.

DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of your Company has adopted a Dividend Distribution Policy which can be accessed on the website of the Company https://pilaniinvestment.com/images/Pilani-Dividend Distribution Policy.pdf

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 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 2021-22 by the Secretarial Auditor M/s. K. C. Dhanuka & Company, Practicing Company Secretary. The Secretarial Auditor's Report is attached as **Annexure - D** and forms part of this Report.

AUDITORS

Pursuant to the RBI Circular No. RBI/ 2021- 22/ 25/ Ref. No. DoS.CO.ARG / SEC.01/ 08.91.001/ 2021- 22 dated 27th April, 2021 ("RBI Guidelines"), M/s. Vidyarthi & Sons, Chartered Accountants, the erstwhile Statutory Auditors being ineligible to continue as the Statutory Auditors of the Company for F.Y. 2021-22, have vide their letter dated

Boards' Report (Contd.)

13th November, 2021, resigned as the Statutory Auditors of the Company, effective from 13th November, 2021, upon completion of the stipulated tenure of three years as per the RBI Guidelines

As per the said RBI Guidelines, the Statutory Auditors who have completed tenure of 3 years in the entity cannot continue to hold office as Statutory Auditors. Accordingly, the Board of Directors on 10th December, 2021, on the recommendations of the Audit Committee and in compliance with the aforesaid RBI Guidelines, has approved the appointment of M/s. Kothari & Co., Chartered Accountants having ICAI Firm Registration No. 301178E, as the Statutory Auditors upto the conclusion of 75th Annual General Meeting subject to the approval of the Members.

Further, during the year under review, the members of the Company vide Postal Ballot, approved the appointment of M/s Kothari & Co, Chartered Accountants as the Statutory Auditors of the Company upto the conclusion of the 75th Annual General Meeting of the Company to be held in the year 2022.

In view of the aforesaid, the Board of Directors, upon the recommendations of the Audit Committee, proposes the re-appointment of M/s Kothari & Co., Chartered Accountants, as the Statutory Auditors of the Company for a term of two consecutive financial years to hold office from the conclusion of the 75th Annual General Meeting upto the conclusion of the 77th Annual General Meeting to be held in the year 2024. M/s Kothari & Co., Chartered Accountants, has confirmed their eligibility to be re-appointed in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder. Resolution seeking their re-appointment forms part of the Notice convening the 75th Annual General Meeting.

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.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

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 - E** 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.

Boards' Report (Contd.)

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 2013-14 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 391 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, the Business Responsibility Report (BRR) is available as a separate section attached as **Annexure - F**, which forms part of this Report and also hosted on the Company's website 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 - G**, 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.

For and on behalf of the Board of Directors

Rajashree Birla
Chairperson
(DIN: 00022995)
Place - Mumbai

27th May, 2022

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	**Atlas Iron & Alloys Limited** (under process of striking off)	**PIC Properties Limited**	**PIC Realcon Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2022	31.03.2022	31.03.2022
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	-	(209.76)	4384.91
6	Total assets	-	397.76	4564.00
7	Total Liabilities	-	397.76	4564.00
8	Investments	-	108.44	4445.81
9	Turnover	-	15.77	87.13
10	Profit before taxation	-	11.21	86.19
11	Provision for taxation	-	1.70	21.70
12	Profit after taxation	-	9.51	64.49
13	Proposed Dividend	-	-	-
14	% of shareholding	96.83%	100%	100%

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

1. Names of subsidiaries which are yet to commence operations : NIL
2. 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
1. Latest Audited Balance Sheet Date	31.03.2022
2. Shares of Associate/Joint Ventures held by the company on year end	33.11 %
No of Shares	3,69,78,570
Amount of Investment in Associates/Joint Venture	41,589.36
Extend of Holding %	33.11 %
3. Description of how there is significant influence.	No significant influence except investment
4. Reason why the associate/joint venture is not consolidated	NIL
5. Networth attributable to Shareholding as per latest audited Balance Sheet	3,87,685.00
6. Profit/Loss for the year	
i. Considered in Consolidation	5,513.23
ii. Not Considered in Consolidation	N.A.

1. Names of associates or joint ventures which are yet to commence operations- NIL
2. 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

27th May, 2022

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.	**Details of material contracts or arrangement or transactions at arm's length basis**e		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

27th May, 2022

Annexure - A to the Boards' Report

NOMINATION AND REMUNERATION POLICY

1. Preamble

The Nomination & Remuneration Policy ("Policy") of Pilani 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).

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

(iii) To carry out evaluation of every Director's performance. The Company has a separate Board Performance Evaluation Policy.

(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.

Criterias 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 - A 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.

Criterias 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 - A 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 - B 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 - B 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 a 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.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

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

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

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	1
4	Shri A. V. Jalan	Non-Executive Director	1	1
5	Shri Giriraj Maheswari	Independent Director	1	1

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

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		
	2021	2020	2019
Net Profit	12,112.36	4,896.14	(1,819.41)
Average Net profit for the preceding three financial years	5,063.03		

7. (a) Two percent of average net profit of the company as per section 135(5) – ₹ 101.26 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) – ₹ 101.26 Lakhs

Annexure - C 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
101.28	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)	(6)	(7)	(8)	(9)	
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.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Promoting health care including preventive health care	Promoting health care including preventive health care	Yes	West Bengal	Kolkata	15.73	No	Marwari Relief Society	CSR00006109
2	Promoting health care including preventive health care	Promoting health care including preventive health care	Yes	West Bengal	Kolkata	50.00	No	Institute of Neurosciences Kolkata	CSR00000975
3	Promoting Education	Promoting Education	No	Maharashtra	Mumbai	35.55	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): ₹ 101.28 Lakhs

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

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

Sl. No.	Particulars	Amount (₹ In lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	101.26
(ii)	Total amount spent for the Financial Year	101.28
(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)

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable

(d) 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 : 27th May, 2022

Annexure - D to the Boards' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
[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, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) 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;

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the period under review:-

  a. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

  b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  c. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

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

(vi) 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 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 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 : F002204D000403891

Place : Kolkata
Date : 27th May, 2022

Annexure - E 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)		Details
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;	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 2021-22 as because the Company does not have any Whole Time Director and the Non-Executive Directors of the Company were being paid for only the sitting fees.
(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;	Shri R. P. Pansari, Chief Executive Officer - NIL Shri J. K. Singhania, Chief Financial officer - 11% Shri R. S. Kashyap, Company Secretary - 12%
(iii)	The percentage increase in the median remuneration of employees in the financial year	: 10%
(iv)	The number of permanent employees on the rolls of company	: 5 employees as on 31.03.2022
(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;	: N.A.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the Year ended 31st March, 2022 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

27th May, 2022

Annexure - E 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, 2022

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	75	FCA	14-02-2017	Chief Executive Officer	86,20,000	55	Senior President-Essel Mining & Industries Limited	NIL
2	Shri J. K. Singhania	46	FCA	02-09-2019	Chief Financial Officer	34,31,542	22	Chief Financial Officer-Hindusthan Engineering & Industries Limited	NIL
3	Shri R. S. Kashyap	39	B. Com(Hons), FCS	01-09-2011	Company Secretary and Chief Risk Officer	14,86,669	13	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 - F 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 2021 – 31st March 2022
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	The Company operates from one location from its Registered Office in Kolkata, India.
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	₹ 26,046.29 Lakhs
3	Total Profit after tax	₹ 14,925.01 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, them 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, given the limited nature of Company's operations and its size, the Company has minimal interactions with its vendors, suppliers.

Annexure - F 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

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 2021-2022. 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, 2022.

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

So far investor complaints are concerned, during the Financial Year 2021-2022, 5 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, 2022, the Company had a total of five permanent employees. There is no women employee on the rolls of the Company as on 31st March, 2022. 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, 2022.

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 2021-2022.

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 - F 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 2021-2022, under Section 135 (Schedule VII) of the Companies Act, 2013, the Company has spent Rs. 101.28 Lakhs through implementing agencies.

For more information, refer to the Annual Report on CSR activities as contained in the Annual Report 2021-2022.

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 - G 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.

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 is also expanding 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.

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 2021-22. This Report should be read in conjunction with the Company's financial statements and other information included in this Annual Report.

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

The Company has recorded very satisfactory performance during the Financial Year 2021-22 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 ₹ 4,816.10 Lakhs, Interest of ₹ 20,658.27 Lakhs, Profit from sale of Investments of ₹ 0.28 Lakhs, and Rental Income of ₹ 546.92 Lakhs. The total income is ₹ 26,046.29 Lakhs as against total income of ₹ 21,000.29 Lakhs in the previous year. The Profit before depreciation and tax is ₹ 19,448.16 Lakhs. After providing for depreciation of ₹ 34.61 Lakhs and tax of ₹ 4,488.54 Lakhs, the Net Profit is ₹ 14,925.01 Lakhs as against ₹ 11,739.91 Lakhs in the previous year, an increase of around 27.13 %.

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 ₹ 4,531.44 Lakhs, Interest of ₹ 20,661.63 Lakhs, Profit from sale of Investments of ₹ 8.30 Lakhs, and Rental Income of ₹ 553.30 Lakhs. The total income is ₹ 25,779.39 Lakhs as against total income of ₹ 19,958.18 Lakhs in the previous year. The Consolidated Profit before depreciation and tax is ₹ 19,176.28 Lakhs. After providing for depreciation of ₹ 35.14 Lakhs and tax of ₹ 4,511.95 Lakhs, the Consolidated Net Profit but before Share of profit from Associate is ₹ 14,629.19 Lakhs. Share of Profit/(Loss) from an Associate is ₹ 5,513.23 Lakhs and Consolidated Profit after tax is ₹ 20,142.42 Lakhs as against ₹ 9,665.87 Lakhs in the previous year, an increase of around 108.38%.

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 5 as on 31st March, 2022.

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, if any) in key financial ratios, alongwith detailed explanations thereof.

Particulars		2021-22	2020-21	Change (%)
(i)	Debtors Turnover Ratio	**14.61**	4.13	253.75
(ii)	Inventory Turnover Ratio	The Company does not have any operational inventory as on date		
(iii)	Interest Coverage Ratio	**4.29**	3.88	16.57
(iv)	Current Ratio	**2.61**	4.91	(46.84)
(v)	Debt Equity Ratio	**0.10**	0.09	11.11
(vi)	Operating Profit Margin (%)	**74.61**	71.85	3.84
(vii)	Net Profit Margin (%)	**57.36**	56.14	2.61
(viii)	Return of Net Worth (%)	**8.20**	6.92	18.50

Debtors Turnover Ratio has increased by 253.75% on account of arrear rent collected and current ratio declined by 46.84% due to increase in debt securities.

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 Domestic Companies		No. of Outside Committees # (excluding**)	
		Public	Private	Member	Chairman
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	-	4	-

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.

– In terms of provisions of the Companies Act, 2013, no Director is related to any other Director on the Board.

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	1,00,000
Shri D.K. Mantri	2,20,000
Shri A. K. Kothari	3,20,000
Shri A.V. Jalan	3,00,000
Shri Giriraj Maheswari	3,60,000
Shri Yazdi P. Dandiwala	2,40,000
Smt. Vanita Bhargava	1,00,000

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

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

a) 4 meetings of the Board of Directors were held during the year ended 31st March, 2022. These were held on:

(1) 29-06-2021 (2) 11-08-2021 (3) 06-11-2021

(4) 09-02-2022

b) The attendance record of each of the Directors at the Board Meetings during the year ended on 31st March, 2022 and of the last Annual General Meeting is as under:

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

(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 9th February, 2022. All the Independent Directors except 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 Co-Chairperson
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 2021-22. 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 29-06-2021, 11-08-2021, 06-11-2021 and 09-02-2022. 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	3
Shri A.V. Jalan	3
Shri Giriraj Maheswari	4
Shri Yazdi P. Dandiwala	4
Smt. Vanita Bhargava	2

(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.

Report on Corporate Governance (Contd.)

(ii) Nomination and Remuneration Committee meetings were held on 29-06-2021 and 09-02-2022. The attendance record of the Nomination and Remuneration Committee Members is as under:-

Name of the Nomination and Remuneration Committee Members	No. of meetings attended
Shri A. K. Kothari	2
Shri A.V. Jalan	1
Shri Giriraj Maheswari	2
Shri Yazdi P. Dandiwala	2
Smt. Vanita Bhargava	1

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

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 https://pilaniinvestment.com/images/Pilani-Nomination and Remuneration Policy New.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 2021-22 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

(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, 2022, only one meeting was held on 09-02-2022 and all the Committee members 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 https://pilaniinvestment.com/images/Pilani CSR Policy.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.

Report on Corporate Governance (Contd.)

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.

(ii) During the financial year ended on 31st March, 2022, only one meeting was held on 09-02-2022 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, 2022, 5 investor complaints/queries were received and as on 31st March, 2022 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. Singhania – Chief Financial Officer

Report on Corporate Governance (Contd.)

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

Risk Management Committee meetings were held on 09-08-2021 and 04-02-2022. The attendance record of the Risk Management Committee Members is as under:-

Name of the Risk Management Committee Members	No. of meetings attended
Shri D. K. Mantri	2
Shri A. K. Kothari	2
Shri A.V. Jalan	2
Shri Giriraj Maheswari	2
Shri R. P. Pansari	2
Shri J. K. Singhania	2

The terms of reference of the Risk Management Committee cover the matters as specified under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Singhania – 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, 2022, only one meeting was held on 09-02-2022 and all the Committee members were present at the aforesaid meeting.

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. Singhania – Chief Financial Officer

Investment and Finance Committee meetings were held on 29-06-2021 and 09-02-2022. 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	2
Shri A.V. Jalan	2
Shri Giriraj Maheswari	2
Shri R. P. Pansari	2
Shri J. K. Singhania	2

Report on Corporate Governance (Contd.)

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
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.
2020-2021	16-09-2021	AGM	Held through Video Conferencing	3.00 P.M.

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

i) 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.

ii) The following special resolution was passed at the 74th Annual General Meeting of the Company held on 16-09-2021:

Re-appointment of Shri A. K. Kothari as an Independent Director for a second term of five consecutive 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 10-12-2021 for Appointment of M/s Kothari & Co., Chartered Accountants as the Statutory Auditors and to fix their remuneration, which were duly passed vide resolution dated 20-01-2022 and the results of which were announced on 21-01-2022.

The brief details of Postal Ballot Process (during 2021-22) are given below:

Particulars	Date
Date of Notice of Postal Ballot	10-12-2021
Start of Voting Period	22-12-2021 at 9.00 A.M.
End of Voting Period	20-01-2022 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	21-01-2022

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.	Appointment of M/s Kothari & Co., Chartered Accountants as the Statutory Auditors and to fix their remuneration	99.99	0.01

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.

Report on Corporate Governance (Contd.)

(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. During the year 2021-22 there is no non-compliance of any of the requirements of Corporate Governance report as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(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 https://pilaniinvestment.com/images/Pilani- Whistle Blower Policy New.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 https://pilaniinvestment.com/images/Pilani- Policy on Material Subsidiary New.pdf and https://pilaniinvestment.com/images/Pilani-RPT Policy New.pdf respectively.

(vi) A Board Performance Evaluation Policy has also been formulated and uploaded on the Company's website https://pilaniinvestment.com/images/Pilani- Board Performance Evaluation Policy.pdf .

(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 https://pilaniinvestment.com/images/Familiarisation Programme to Independent Directors.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 2021-22, 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.

Report on Corporate Governance (Contd.)

(xv) Credit Ratings:

Name of Credit rating Agency	Rating (Short Term)	Rating (Long Term)
CARE	CARE A1+	-
CRISIL	CRISIL A1+	CRISIL AA/STABLE

(xvi) 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 2021-2022
Audit Fees	4.00
For Quarterly Review	2.40
Other Services	2.30
Total	**8.70**

(xvii) 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.

(xviii) Details of Loans & Advances given by the Company & its subsidiaries in the nature of loans to firms/ Companies in which Directors are interested: NIL

(xix) The Company has also complied with the discretionary requirements as under:

a) Modified opinion(s) in audit report : The Company confirms that its financial statements are with unmodified audit opinion.

b) Separate posts of Chairperson and Chief Executive Officer: The Company has a Non-Executive Chairperson and a Chief Executive Officer. They are not related to each other.

c) Reporting of Internal Auditor: Internal Auditors are invited to the meetings of the Audit Committee wherein they report directly to the Committee.

(xx) The Company has in place a D&O policy. It covers all the Directors (including independent directors) and Key Managerial Personnel of the Company. The Board is of opinion that the quantum and risk presently covered is adequate.

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.

(iv) Whether Management Discussion & Analysis is a part of Annual Report : Yes

(v) Whether it also displays official news releases : Will be complied with whenever applicable/made

(vi) The Presentations made to institutional investors or to the analysts : Will be complied with whenever applicable/made.

Report on Corporate Governance (Contd.)

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.

M. General Shareholder Information

(i) Annual General Meeting to be held:

Day & Date	:	Friday, 9th September, 2022
Venue	:	Through Video Conferencing ("VC") or Other Audio -Visual Means ("OAVM")
Time	:	4.00 P.M.

(ii) Financial Calendar (tentative) for the year 2022-23:

First Quarterly Results	:	On or before 14th August, 2022
Second Quarterly Results	:	On or before 14th November, 2022
Third Quarterly Results	:	On or before 14th February, 2023
Fourth Quarterly Results /Audited Yearly Results for the Year ended 31st March, 2022	:	Before end of May, 2023

(iii) Date of Book Closure : Saturday, 3rd September, 2022 to Friday, 9th September, 2022 (Both days inclusive)

(iv) Date of Dividend payment : On or after 15th September, 2022

(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 2022-23 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

Report on Corporate Governance (Contd.)

(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 2021-2022 are as under:

Quotation at National Stock Exchange of India Limited:

Month	High ₹	Low ₹	Volume (In Nos.)
April 2021	1,764	1,611	1,37,646
May 2021	1,725	1,634	11,01,332
June 2021	2,176	1,650	5,62,745
July 2021	2,058	1,900	1,47,899
Aug. 2021	2,014	1,760	1,59,128
Sept. 2021	1,964	1,707	5,03,997
Oct. 2021	2,050	1,817	3,47,713
Nov. 2021	2,250	1,825	4,66,328
Dec. 2021	2,085	1,801	3,97,562
Jan. 2022	2,000	1,780	1,25,526
Feb. 2022	1,898	1,624	52,724
Mar. 2022	1,754	1,600	99,848

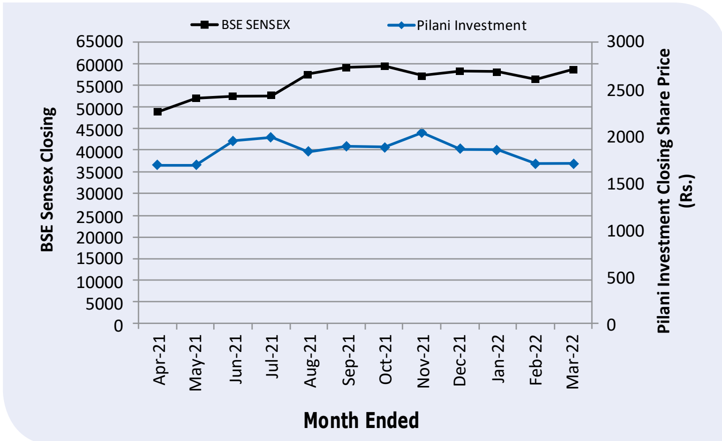
Quotation at BSE Limited:

Month	High ₹	Low ₹	Volume (In Nos.)
April 2021	1,750	1,590	6,133
May 2021	1,751	1,621	9,880
June 2021	2,190	1,652	83,101
July 2021	2,051	1,883	41,712
Aug. 2021	2,006	1,742	43,784
Sept. 2021	2,033	1,524	1,62,932
Oct. 2021	2,047	1,828	95,368
Nov. 2021	2,247	1,831	1,28,577
Dec. 2021	2,085	1,802	57,885
Jan. 2022	2,000	1,780	14,253
Feb. 2022	1,893	1,603	9,187
Mar. 2022	1,793	1,580	14,098

Report on Corporate Governance (Contd.)

Performance in comparision to broad based indices :

Pilani Investment vs BSE Sensex



(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, 2022

(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	13,273	5,84,608	5.28
2	501 to 1,000	221	1,60,137	1.45
3	1,001 to 2,000	103	1,41,805	1.28
4	2,001 to 3,000	36	83,899	0.75
5	3,001 to 4,000	16	54,900	0.50
6	4,001 to 5,000	8	35,168	0.31
7	5,001 to 10,000	20	1,38,921	1.25
8	10,001 to 20,000	10	1,30,572	1.17
9	20,001 to 50,000	10	3,07,814	2.78
10	50,001 to 1,00,000	6	4,25,856	3.84
11	1,00,001 and above	6	90,08,570	81.36
	Total	**13,709**	**1,10,72,250**	**100.00**

Report on Corporate Governance (Contd.)

(b) Categories of Shareholding :

Sl. No.	Category	No. of Folios	% of Folios	No. of Shares held	% of share holding
1	Promoters	8	0.06	63,71,980	57.55
2	Resident Individuals	13,273	96.82	12,31,291	11.13
3	Private Corporate Bodies	187	1.37	32,98,591	29.79
4	Financial Institutions / Nationalised Banks	3	0.02	27,580	0.25
5	Mutual Funds & Insurance	0	0.00	0	0.00
6	FIIS /FPI	2	0.01	42,300	0.38
7	NRI and OCBs	200	1.46	41,137	0.37
8	Others- Trusts/Clearing Members	34	0.25	35,298	0.31
9	IEPF Authority	2	0.01	24,073	0.22
	Total	**13,709**	**100.00**	**1,10,72,250**	**100.00**

(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, 2022, 1,10,23,081 Company's Equity shares representing 99.56% of the Company's total Equity Shares were held in dematerialized form and balance 49,169 Equity Shares representing 0.44% 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). Email Id: pilaniinvestment1@gmail.com.

For and on behalf of the Board of Directors

Rajashree Birla
Chairperson
(DIN: 00022995)
Place : Mumbai

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

27th May, 2022

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:F002204D000403957

Kolkata
27th May, 2022

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 2021 - 22 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kolkata
27th May, 2022

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 2021-22 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 2021-22 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
27th May, 2022

J. K. Singhania
Chief Financial Officer

R. P. Pansari
Chief Executive Officer

Certificate of Compliance with the Corporate Governance

INDEPENDENT AUDITORS' 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. We have examined the compliance of conditions of Corporate Governance by Pilani Investment and Industries Corporation Limited ("the Company"), for the year ended March 31, 2022, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended ("SEBI Listing Regulations").

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, 2022.

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 **Kothari & Company**
Chartered Accountants
FR No. 301178-E

Manaswy Kothari
(Partner)
Membership No. 064601
UDIN – 22064601AJTBTD6745

Date: 27th May, 2022
Place: Kolkata

Independent Auditor's Report

To The Members
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 2022, 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 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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
Valuation of Investments 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. The valuation is performed by the Company using a fair value hierarchy as applicable below: • Level 1: valuations based on quoted prices (unadjusted) in active markets. • Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly.	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. 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. As part of these audit procedures, we assessed the accuracy of key inputs used in the valuation including observable and non-observable inputs.

Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
• Level3: valuations based on unobservable inputs for the asset 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.	We also evaluated the Company's assessment whether objective evidence of impairment exists for individual Investments. Based on these procedures, we have not noted any material differences outside the predefined tolerable differences threshold.

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(MD&A) 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

Independent Auditor's Report (Contd.)

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional 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.

Other Matter

The Financial Statements of the Company for the year ended 31st March, 2021, included in these standalone

Independent Auditor's Report (Contd.)

financial statements, have been audited by predecessor auditor who expressed an unmodified opinion on those statements vide their Audit Report dated 29th June, 2021 which have been furnished to us and which have been relied upon by us for the purpose of our Audit of the statement.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    b. In our opinion, proper books of 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, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

    f. With respect to the adequacy of the internal financial controls over financial reporting 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.

        iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

            - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

            - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Contd.)

b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government 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 **Kothari & Company**
Chartered Accountants
FRNO. 301178-E

Manaswy Kothari
Partner
Membership No. 064601
UDIN: 22064601AJSBQE9958

Date: 27th May, 2022
Place: Kolkata

Annexure – 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirement's 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 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kothari & Company**
Chartered Accountants
FRNO. 301178-E

Manaswy Kothari
Partner
Membership No. 064601
UDIN: 22064601AJSBQE9958

Date: 27th May, 2022
Place: Kolkata

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 31st March, 2022.)

i. In respect of the Company's Property, Plant and Equipment:

   a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

      (B) The Company does not have Intangible assets and hence reporting under this clause is not applicable.

   b. As per information and explanation given to us by the management and as certified, fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

   c. According to the information and explanations given to us and records examined by us the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee), are held in the name of the Company.

   d. According to the information and explanations given to us and records examined by us there has been no revaluation of Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year end.

   e. According to the information and explanations given to us and records examined by us there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions(Prohibition) Act, 1988(45 of 1988) and rules made thereunder and hence, reporting under this clause is not applicable to the company.

ii. (a) The company does not have any inventory, hence reporting under this clause of CARO 2020 is not applicable.

   (b) As per the information's and explanations given to us by the management there has been no sanctioned of working capital limits in excess of 5 crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; hence reporting under this clause is not applicable to the company.

iii. During the year the company has made investments in companies and other parties. Further, during the year the company has not provided any guarantee or security to companies, firms Limited liability Partnerships or any other parties, however the company has granted unsecured loan to various body corporates

   a. The Company is a NBFC company and hence reporting under this clause of CARO, 2020 is not applicable.

   b. The terms and conditions of investments made and the grant of all loans and advances in the nature of loans provided are not prejudicial to the company's interest;

   c. As per the information and explanations given to us and books examined by us in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular;

   d. As per the information and explanation given to us by the management, we found during the audit there is no amount has been overdue for more than ninety days and hence reporting under this clause is not applicable.

   e. The Company is a NBFC company and hence reporting under this clause of CARO, 2020 is not applicable.

   f. As per the information and explanation given to us by the management and books examined by us the company has not granted loans or advances repayable on demand or without specifying any terms or period of repayment.

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

iv. In our opinion, and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the provisions of Section 185 and 186 of the Companies Act have been complied with.

v. The company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public prior to the commencement of the Act.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company and hence clause 3(vi) of the Order is not applicable.

vii. (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Nature of the statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax on certain disallowances, etc.	611.70	(A.Y.) 2009-10, 2010-11, 2011-12, 2013-14, 2014-15, 2017-18	Deputy Commissioner Income tax , Appellate Tribunal, Kolkata

viii. According to the information and explanation given to us and the records examined by us, there are no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act,1961

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender as at the Balance Sheet date.

(b) The company has not been declared willful defaulter by any bank or financial institution or other lender

(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company we report that no funds raised on short term basis have been used for long term investment by the company.

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

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures formed.

(f) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not raised loans during the year on pledged of securities held in its subsidiaries, associates or joint ventures.

x. (a) According to the information and explanation given to us, no money has been raised by way of Initial Public Offer or Further Public Offer (including debt instrument). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) During the year the company has not made any preferential allotment or private placement for shares or fully or partly convertible debentures and hence reporting under clause [x(b)] of CARO 2020 is not applicable to the company.

xi. (a) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the management.

(b) We have not filed any report under sub section (12) of section 143 of the companies Act in Form ADT-4 and hence reporting under clause [xi(b)] of CARO 2020 is not applicable to the company.

(c) As per the information and explanation given to us by the company there are no whistle blower complaints received during the year

xii. The Company is not a Nidhi Company and hence reporting under clause [(xii) (a) (b) & (c)]of the Order is not applicable.

xiii. In our opinion and according to the information and explanation given to us the company is in compliance with section 177 and 188 of Companies Act, 2013, where applicable, for all transaction with the related parties and the details of related party transaction have been disclosed in the financial statement as required by the applicable standards.

xiv. (a) In our opinion and according to the information and explanation given to us the Company has an internal audit system commensurate with the size and nature of its business

(b) We have considered the internal audit reports of the company issued till 31st March,2022, for the period under audit.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act are not applicable.

xvi. (a) The Company is registered under section 45 – IA of the Reserve Bank of India Act, 1934 and registration certificate has been obtained thereof.

(b) The company has not conducted any Non-Banking Financial activities without a valid Certificate of Registration as per the Reserve Bank of India Act, 1934.

(c) According to information and explanation given to us the Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Yes, it continues to fulfil the criteria of a CIC. However, the company is in the process of registering it as a CIC with the Reserve Bank of India.

(d) According to the information and explanations given to us by the management, the Group has two CICs which are registered with the Reserve Bank of India.

xvii. The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

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

xviii. According to the records of the Company examined by us, and information and explanations given to us, the erstwhile auditors of the Company resigned during the year on account of completion of maximum permissible term of three years as mandated by Reserve Bank of India. Further, there were no other issues, objections or concerns raised by the outgoing auditors in their resignation letter.

xix. According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanation given to us and books examined by us there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, Clauses xx (a) and (b) of CARO Order, 2020 are not applicable.

For **Kothari & Company**
Chartered Accountants
FRNO. 301178-E

Manaswy Kothari
Partner
Membership No. 064601
UDIN: 22064601AJSBQE9958

Date: 27th May, 2022
Place: Kolkata

Balance Sheet as at 31st March, 2022

(₹ In Lakhs)

Sl. No.	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
	ASSETS :			
(1)	**Financial assets**			
(a)	Cash & cash equivalents	**2**	**439.68**	69.90
(b)	Bank balances other than cash and cash equivalents	**3**	**34.86**	2,238.63
(c)	Trade receivables	**4**	**29.60**	45.25
(d)	Loans	**5**	**2,31,850.00**	2,01,500.00
(e)	Investments	**6**	**9,51,496.86**	8,22,404.59
			11,83,851.00	10,26,258.37
(2)	**Non-Financial assets**			
(a)	Current tax assets (net)	**7**	**544.27**	506.81
(b)	Investment property	**8**	**110.94**	133.31
(c)	Property, plant and equipment	**9**	**33.76**	46.00
(d)	Other non-financial assets	**10**	**41.41**	28.40
			730.38	714.52
	TOTAL ASSETS		**11,84,581.38**	10,26,972.89
	LIABILITIES AND EQUITY:			
	Liabilities			
(1)	**Financial liabilities**			
(a)	Trade payables	**11**		
	(i) Total outstanding dues of micro enterprises and small enterprises		**-**	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**5.33**	13.80
(b)	Borrowings (Debt Securities)	**12**	**67,129.62**	41,503.34
(c)	Borrowings (Other than debt securities)	**13**	**39,500.00**	39,500.00
(d)	Other financial liabilities	**14**	**37.15**	40.64
			1,06,672.10	81,057.78
(2)	**Non-financial liabilities :**			
(a)	Provisions	**15**	**959.72**	832.11
(b)	Deferred tax liabilities (net)	**16**	**52,325.76**	37,250.89
(c)	Other non financial liabilities	**17**	**100.40**	74.38
			53,385.88	38,157.38
(3)	**Equity**			
(a)	Equity share capital	**18**	**1,107.23**	1,107.23
(b)	Other equity	**19**	**10,23,416.17**	9,06,650.50
			10,24,523.40	9,07,757.73
	TOTAL LIABILITIES AND EQUITY		**11,84,581.38**	10,26,972.89

Summary of significant accounting policies **1**

See accompanying notes forming part of the financial statements **2 to 53**

As per our Report of even date

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

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

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Statement of Profit and Loss Account for the year ended 31st March, 2022

(₹ In Lakhs)

Sl. No.	Particulars	Note No.	For the year ended on 31.03.2022	For the year ended on 31.03.2021
	Revenue from Operations			
(i)	Interest income	20	20,658.27	17,724.82
(ii)	Dividend income	21	4,816.10	2,913.55
(iii)	Net gain on fair value changes	22	0.28	6.35
(iv)	Others	23	546.92	266.64
(I)	**Total revenue from operations**		26,021.57	20,911.36
(II)	Other income	24	24.72	88.93
(III)	**Total income**		26,046.29	21,000.29
	Expenses			
(i)	Finance cost	25	5,893.60	5,210.54
(ii)	Employee benefit expense	26	151.40	138.93
(iii)	Depreciation and amortization expense	27	34.61	44.30
(iv)	Other expenses	28	553.13	582.34
(IV)	**Total expenses**		6,632.74	5,976.11
V	**Profit/(loss) before exceptional items and tax**		19,413.55	15,024.18
VI	**Exceptional items**		-	-
VII	**Profit/(loss) before tax**		19,413.55	15,024.18
VIII	**Tax expenses**	29		
	1) Current tax		4,498.46	3,286.28
	2) Deferred tax		(9.92)	(2.01)
			4,488.54	3,284.27
IX	**Profit/(loss) for the year**		14,925.01	11,739.91
X	**Other comprehensive income**	30		
(i)	Items that will not be reclassified to profit or loss		1,18,912.82	4,92,572.34
(ii)	Income tax relating to items that will not be reclassified to profit or loss		(15,084.78)	(28,667.74)
	Other comprehensive income		1,03,828.04	4,63,904.60
XI	**Total comprehensive income for the year (comprising profit/(loss) and other comprehensive income for the year)**		1,18,753.05	4,75,644.51
XII	**Earnings per equity share (FV ₹ 10/-)**	31		
	1) Basic (₹)		134.80	106.03
	2) Diluted (₹)		134.80	106.03

Summary of significant accounting policies **1**

See accompanying notes forming part of the financial statements **2 to 53**

As per our Report of even date

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

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Cash Flow Statement for the year ended 31st March, 2022

(₹ In Lakhs)

Particulars	For the year ended on 31.03.2022	For the year ended on 31.03.2021
A. Cash Flow from operating activities		
Net Profit before Tax	**19,413.55**	15,024.18
Adjustments for:		
Depreciation	**34.61**	44.30
Net gain on fair value changes	**(0.28)**	-
Finance cost	**5,893.60**	5,210.54
Operating profit before working capital changes	**25,341.48**	20,279.02
Changes in working capital:		
Trade receivables	**15.65**	38.72
Loans and other advances	**(30,363.01)**	(56,980.13)
Trade and other payables	**142.73**	(1,158.15)
Cash generated from operations	**(4,863.15)**	(37,820.54)
Direct tax paid	**(4,862.46)**	(5,242.95)
Net Cash Flow From/(Used In) in operating activities	**(9,725.61)**	(43,063.49)
B. Cash Flow from investment activities		
Bank deposits other than cash and cash equivalents	**2,203.77**	(2,196.59)
Sale/(Purchase) of Investments (Net)	**(10,180.22)**	13,155.62
Purchase of property, plant and equipments	**-**	(0.24)
Net cash flow from/(used in) investment activities	**(7,976.45)**	10,958.79
C. Cash Flow from financing activities		
Borrowings (net)	**25,626.28**	39,003.34
Payment of dividend	**(1,660.84)**	(1,977.19)
Payment of dividend tax	**-**	-
Finance cost	**(5,893.60)**	(5,210.54)
Net cash flow from/(used In) in financing activities	**18,071.84**	31,815.61
Net increased/(decreased) in cash and cash equivalents (A+B+C)	**369.78**	(289.09)
Opening cash and cash equivalents	**69.90**	358.99
Closing cash and cash equivalents	**439.68**	69.90

Cash Flow Statement for the year ended 31st March, 2022 (Contd.)

Notes:

1. Components of cash and cash equivalents: (₹ In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Cash on hand	**0.10**	0.36
Balances with banks		
- In current accounts	**439.58**	69.54
Total	**439.68**	69.90

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 ₹ 20,658.27 lakhs (Previous year ₹ 17,724.82 lakhs) and dividend earned of ₹ 4,816.10 lakhs (Previous year ₹ 2,913.55 lakhs) have been considered as part of "Cash flow from operating activities".

As per our Report of even date

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

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

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Statement of Changes in Equity for the year ended 31st March, 2022

A Equity share capital

1. As on 31.03.2022 (₹ In Lakhs)

Particulars	No. of Equity Shares of Rs. 10 each	Balance as the beginning of the current reporting period (Amount)	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period (Amount)	Changes in equity share capital during the year	Balance at the end of the reporting year (Amount)
Issued, paid-up and subscribed	1,10,72,250	1,107.23	-	1,107.23	-	1,107.23

2. As on 31.03.2021 (₹ In Lakhs)

Particulars	No. of Equity Shares of Rs. 10 each	Balance as the beginning of the current reporting period (Amount)	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period (Amount)	Changes in equity share capital during the year	Balance at the end of the reporting year (Amount)
Issued, paid-up and subscribed	1,10,72,250	790.88	-	790.88	316.35	1,107.23

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		
Balance at the beginning of the reporting year 01.04.2020	-	-	45,458.42	19,713.33	1,29,978.89	2,40,037.60	4,35,188.24
Changes in accounting policy/ prior period expenses	-	-	-	-	-	-	-
Restated Balance at the beginning of the reporting year 01.04.2020			45,458.42	19,713.33	1,29,978.89	2,40,037.60	4,35,188.24
Profit for the year					11,739.91	-	11,739.91
Other Comprehensive Income for the year net of income tax					(7.94)	4,63,912.54	4,63,904.60
Total comprehensive income for the year	-	-	-	-	11,731.97	4,63,912.54	4,75,644.51
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)

Statement of Changes in Equity for the year ended 31st March, 2022 (Contd.)

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		
Transfer to statutory reserve			5,270.61	-	(5,270.61)	-	-
Balance at the end of the reporting year 31.03.2021	-	-	**50,729.03**	**19,713.33**	**1,48,767.82**	**6,87,440.32**	**9,06,650.50**
Changes in accounting policy/ prior period expenses	-	-	-	-	-	-	-
Restated Balance at the beginning of the reporting year 01.04.2021	-	-	**50,729.03**	**19,713.33**	**1,48,767.82**	**6,87,440.32**	**9,06,650.50**
Profit for the year					**14,925.01**		**14,925.01**
Other Comprehensive Income for the year net of income tax					**0.79**	**1,03,827.25**	**1,03,828.04**
Total comprehensive Income for the year	-	-	-	-	**14,925.80**	**1,03,827.25**	**1,18,753.05**
Add: Realised gain/(loss) on Equity Shares (FVTOCI) transferred from Equity Instruments through Other Comprehensive Income			-	-	**2,913.30**	**(2,913.30)**	-
Less: Current Tax on Realised gain/(loss) on Equity Shares (FVTOCI) transferred from Equity Instruments through Other Comprehensive Income			-	-	**(326.54)**	-	**(326.54)**
Dividend paid during the Year	-	-	-	-	**(1,660.84)**	-	**(1,660.84)**
Transfer to statutory reserve			**3,502.51**	-	**(3,502.51)**	-	-
Balance at the end of the reporting year 31.03.2022	-	-	**54,231.54**	**19,713.33**	**1,61,117.02**	**7,88,354.27**	**10,23,416.17**

As per our Report of even date

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

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Notes forming part of the Financial Statements

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.

Significant Accounting Policies:

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 210 A 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 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 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 in stage 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 cash flows 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 cash flows 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 cash flows 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 tax as 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. Recent Accounting Developments:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") has amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of the Schedule III and are applicable from April 1, 2021. Some of the key amendments relating to Division III which relate to NBFC whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

i) Ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development to be given as per specified format.

ii) Promoter Shareholding to be disclosed separately as per prescribed format.

iii) CRAR, Tier I CRAR, Tier II CRAR and Liquidity coverage ratio to be disclosed

Statement of Profit and Loss:

Additional disclosures related to Corporate Social Responsibility (CSR) in the notes forming part of standalone financial statements.

The amendments are extensive and the Company has given effect as required by the law.

1.26. 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 under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the

Notes forming part of the Financial Statements (Contd.)

requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 2	Cash & cash equivalents		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Cash on hand		**0.10**	0.36
Balances with banks			
- In current accounts		**439.58**	69.54
Total		**439.68**	69.90

(₹ In Lakhs)

Note 3	Bank balances other than cash and cash equivalents		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Earmarked Balances with Bank			
- Unpaid Dividend Account		**34.21**	38.63
- Bonus Fraction Shares Account		**0.65**	-
Term Deposit of upto Twelve Months Maturity		**-**	2,200.00
Total		**34.86**	2,238.63

(₹ In Lakhs)

Note 4	Receivables		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Trade Receivables			
Receivables considered good - Unsecured		**29.60**	45.25
Total		**29.60**	45.25

(₹ In Lakhs)

Trade Receivable aging schedule

Particulars	**Outstanding for following periods from due date of payment as on 31st March, 2022**					**Total**
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	29.60	-	-	-	-	29.60
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(i) Disputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**29.60**	**-**	**-**	**-**	**-**	**29.60**

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Trade Receivable aging schedule						
Particulars	Outstanding for following periods from due date of payment as on 31st March, 2021					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	30.08	-	-	-	15.17	45.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(i) Disputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	30.08	-	-	-	15.17	45.25

(₹ In Lakhs)

Note 5 Loans		
Particulars	**As at 31.03.2022**	As at 31.03.2021
(A) At amortised cost		
- to Related parties	-	-
- to Others	**2,31,850.00**	2,01,500.00
Total (A)	**2,31,850.00**	2,01,500.00
(B) At amortised cost		
Unsecured	**2,31,850.00**	2,01,500.00
Total (B)	**2,31,850.00**	2,01,500.00
(C)		
(I) Loans in India		
At amortised cost		
(i) Public sector	-	-
(ii) Others -Corporate Bodies	**2,31,850.00**	2,01,500.00
Total (C) (I)	**2,31,850.00**	2,01,500.00
(II) Loans outside India		
At amortised cost	-	-
Total (C) (II)	-	-
Total C(I) and C(II)	**2,31,850.00**	2,01,500.00
Following loans given on repayable on demand		
(a) Amount of loan or advance in the nature of loan outstanding		
Type of Borrower		
Promoters	-	-
Directors	-	-
Key Managerial Personnels	-	-
Related Parties	-	-
Total	-	-

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 6 Investments					
Particulars	Face Value (₹)	As at 31.03.2022		As at 31.03.2021	
		Nos./Unit	Amount	Nos./Unit	Amount
(A) At fair value through profit or loss					
Investment in mutual funds					
ABSL Overnight Fund - Growth regular plan	1000	**2,62,047**	**3,000.13**	-	-
(B) At fair value through other comprehensive income					
Investment in Equity instruments					
Quoted					
Aditya Birla Fashion & Retail Limited	**10**	**39,88,866**	**12,050.33**	21,88,866	4,405.09
Aditya Birla Capital Limited *	**10**	**3,36,01,721**	**36,172.25**	3,36,01,721	40,086.85
Birla Tyres Limited	**10**	**2,73,38,750**	**5,713.80**	2,73,38,750	6,233.24
Grasim Industries Limited	**2**	**2,47,14,527**	**4,11,249.73**	2,47,14,527	3,58,496.57
Hindalco Industries Limited	**1**	**2,98,57,969**	**1,70,041.13**	2,98,57,969	97,590.77
Vodafone Idea Limited (Formerly: Idea Cellular Limited)	**10**	**10,90,28,530**	**10,521.25**	10,90,28,530	10,085.14
Jayshree Tea & Industries Limited	**5**	**2,844**	**2.62**	2,844	1.88
Kesoram Industries Limited	**10**	**4,63,48,750**	**24,240.40**	2,73,38,750	19,205.47
Kesoram Textile Mills Limited	**2**	**24,15,750**	**48.32**	24,15,750	48.32
Mangalam Cement Limited	**10**	**11,20,000**	**4,341.12**	11,20,000	3,144.96
Tanfac Industries Limited	**10**	**-**	**-**	4,98,000	1,216.61
UltraTech Cement Limited	**10**	**34,89,647**	**2,30,396.96**	34,89,647	2,35,130.67
Quoted (Partly Paid up)					
Aditya Birla Fashion & Retail Limited	**7.50**	**-**	**-**	18,00,000	3,040.20
Unquoted					
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
(C) Investments -Others (At cost)					
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

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 6 Investments					
Particulars	**Face Value (₹)**	**As at 31.03.2022**		As at 31.03.2021	
		Nos./Unit	**Amount**	Nos./Unit	Amount
(D) Preference Share					
10% Non Cumulative Non Participating Redeemable Non Convertible Preference Shares of Jayantika Investment & Finance Limited	100	21,00,000	2,100.00	-	-
(E) Preference Share Application Money (pending allotment)	-	-	-	-	2,100.00
(F) Total – Gross (A+B+C+D+E)			**9,51,496.86**		8,22,404.59
(i) Investments outside India			13.45		13.45
(ii) Investments in India			9,51,483.41		8,22,391.14
Total (G)			**9,51,496.86**		8,22,404.59
(H) Total (F) to tally with (G)			-		-
Less: Allowance for Impairment loss (I)			-		-
(J) Total– Net = (F)-(I)			**9,51,496.86**		8,22,404.59

(#)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)		
Equity Instruments		
Jiyajeerao Cotton Mills Limited (In liquidation)	10	**150**
Kalyan Sundram Cement Industries Limited (In liquidation)	10	**50,000**
Umi Special Steels Limited (In liquidation)	10	**1,00,000**
UNQUOTED (Fully paid)		
In Subsidiary Companies		
Atlas Iron and Alloys Limited (Under process of striking off)	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 November, 2022.

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 7	Current tax assets (Net)	
Particulars	**As at 31.03.2022**	As at 31.03.2021
Advance Payment of Income Tax (net of Provision for Income Tax)	**544.27**	506.81
Total	**544.27**	506.81

(₹ In Lakhs)

Note 8	Investment property	
Particulars	**As at 31.03.2022**	As at 31.03.2021
Gross carrying amount		
Opening gross carrying amount	**453.30**	453.30
Additions	**-**	-
Disposals	**-**	-
Closing gross carrying amount	**453.30**	453.30
Accumulated depreciation		
Opening accumulated depreciation	**319.99**	292.71
Depreciation charged during the year	**22.37**	27.28
Deductions	**-**	-
Closing accumulated depreciation	**342.36**	319.99
Net carrying amount	**110.94**	133.31

(₹ In Lakhs)

8.1	The amounts recognized in Statement of Profit and Loss in relation to the investment properties:	
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Rental income derived from investment properties	**448.64**	200.63
Service charges derived from investment properties	**98.28**	66.01
Direct operating expenses (including repairs and maintenance) generating rental income	**147.63**	136.23
Depreciation	**22.37**	27.28
Profit arising from investment properties before indirect expenses	**376.92**	103.13

8.2 The fair value of the company's investment properties as at 1st April, 2017, 31st March, 2018 and 31st March, 2019 were ₹ 7,580.03 lakhs, ₹ 7,809.73 lakhs and ₹ 8,039.43 lakhs respectively. The fair value of the properties were arrived on the basis of valuation report obtained from a registered valuer. The management decided to consider the valuation certificate obtained for the FY 2018-19 for 2021-22 as well, keeping in mind that there would be no significant appreciation for the next 5 years.

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 9	Property, Plant & Equipment			
	Furnitures & Fixtures	Office Equipments	Vehicles	TOTAL
Cost or valuation				
As at 1st April 2021	61.12	3.17	7.33	71.62
As at 31.03.2022	**61.12**	**3.17**	**7.33**	**71.62**
Depreciation				
As at 1st April 2021	20.06	2.40	3.16	25.62
Charge for the year	10.63	0.31	1.30	12.24
As at 31.03.2022	**30.69**	**2.71**	**4.46**	**37.86**
Net Block				
As at 31st March 2021	41.06	0.77	4.17	46.00
As at 31st March 2022	**30.43**	**0.46**	**2.87**	**33.76**

(₹ In Lakhs)

Note 10 Other non financial assets		
Particulars	**As at 31.03.2022**	As at 31.03.2021
(a) Security deposits	**17.46**	17.46
(b) Other advances		
Others	**23.95**	10.94
Total	**41.41**	28.40

(₹ In Lakhs)

Note 11 Payables		
Particulars	**As at 31.03.2022**	As at 31.03.2021
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	**5.33**	13.80
	5.33	13.80
Other payables	**-**	-
(i) total outstanding dues of micro enterprises and small enterprises	**-**	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**-**	-
Total	**5.33**	13.80

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Trade Payables ageing schedule					
Particulars	**Outstanding for following periods from due date of payment as on 31st March, 2022**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	-	-	-	-	-
(ii) Others	5.33	-	-	-	5.33
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	**5.33**	**-**	**-**	**-**	**5.33**

(₹ In Lakhs)

Particulars	**Outstanding for following periods from due date of payment as on 31st March, 2021**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	-	-	-	-	-
(ii) Others	13.80	-	-	-	13.80
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	13.80	-	-	-	13.80

(₹ In Lakhs)

Note 12 **Borrowings (Debt Securities)**		
Particulars	**As at 31.03.2022**	As at 31.03.2021
At amortised cost		
(a) Unsecured - commercial paper		
From other parties	67,129.62	41,503.34
Total (A)	**67,129.62**	41,503.34
Borrowings in India	67,129.62	41,503.34
Borrowings outside India	-	-
Total (B)	**67,129.62**	41,503.34

Total (B) to tally with (A)

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

Item	**As at 31.03.2022**	As at 31.03.2021
Commercial Paper	**67,129.62**	41,503.34

Note: Commercial Paper of ₹ 67,500 lakhs will be repayable by 22nd June, 2022.

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 13	Borrowings (other than debt securities)		
Particulars		**As at 31.03.2022**	As at 31.03.2021
At amortised cost			
(a) Unsecured - term loans			
From other parties		**39,500.00**	39,500.00
Total (A)		**39,500.00**	39,500.00
At amortised cost			
Borrowings in India		**39,500.00**	39,500.00
Borrowings outside India		**-**	-
Total (B)		**39,500.00**	39,500.00

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	31.03.2022	31.03.2021	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, 2019**
Term loan from financial entity 3	**15,000.00**	15,000.00	**50% repayable at the end of 24 months from August 10, 2020 and balance 50% repayble at the end of 36 months from August 10, 2020**

(₹ In Lakhs)

Note 14	Other financial liabilities		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Unclaimed dividends on equity shares		**34.21**	38.63
Unclaimed bonus fraction shares		**0.65**	-
Others			
Amount Due to employee		**2.29**	1.75
Security deposit		**-**	0.26
Total		**37.15**	40.64

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 15	Provisions		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Provision for employee benefits (Gratuity)		**22.72**	18.46
Provision for employee benefits (Leave)		**9.60**	7.65
Others			
Contingent provision against standard assets		**927.40**	806.00
Total		**959.72**	832.11

(₹ In Lakhs)

Note 16	Deferred tax liabilities (net)		
Particulars		**As at 31.03.2022**	As at 31.03.2021
The major components of the deferred tax liabilities / assets based on the tax effects of timing differences are as follows:			
Deferred tax liabilities (net)			
Equity Investment measured at Fair Value through OCI		**52,337.47**	37,252.95
Investment measured at Fair Value through Profit or Loss		**0.07**	-
Total		**52,337.54**	37,252.95
Deferred tax assets			
Difference between WDV of block of assets as per Income Tax and WDV of Fixed Assets as per books		**3.64**	2.06
Disallowed items u/s 43 B		**8.14**	-
		11.78	2.06
Total		**52,325.76**	37,250.89

(₹ In Lakhs)

Note 17	Other non financial liabilities		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Statutory dues payable		**100.40**	74.38
Total		**100.40**	74.38

Notes forming part of the Financial Statements (Contd.)

(i) Share capital authorised, issued, subscribed and paid up

Note 18 Equity share capital				
Particulars	**As at 31.03.2022**		As at 31.03.2021	
	No. of Shares	**(₹ In Lakhs)**	No. of Shares	(₹ In Lakhs)
Authorised:				
Equity Shares of ₹ 10 each	**2,50,00,000**	**2,500.00**	2,50,00,000	2,500.00
Issued, subscribed and fully paid up shares:				
Equity Shares of ₹ 10 each	**1,10,72,250**	**1,107.23**	1,10,72,250	1,107.23
i. Reconciliation of number of shares				
Opening number of equity Shares	**1,10,72,250**	**1,107.23**	79,08,750	790.88
Fresh issue/Bonus	-	-	31,63,500	316.35
Closing Number of equity shares	**1,10,72,250**	**1,107.23**	1,10,72,250	1,107.23

ii. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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, 2022, the amount of per share dividend recognized as distributions to shareholders was ₹ 15/- (₹ 25/-) per share.

The Board of Directors at its meeting held on 27th May, 2022, have proposed a final dividend of ₹ 15/- per equity share for the financial year ended 31st March, 2022. The proposal is subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Total cash out flow would be ₹ 1,660.84 lakhs (₹ 1,660.84 lakhs) and the same will be accounted for in the financial year 2022-23 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 31.03.2022**		As at 31.03.2021	
	No. of Shares	**% holding**	No. of Shares	% holding
Aditya Marketing and Manufacturing Private Limited	**38,41,871**	**34.70**	38,41,871	34.70
Padmavati Investment Private Limited	**19,69,780**	**17.79**	19,69,780	17.79
The Punjab Produce & Trading Co. Pvt. Limited	**19,39,312**	**17.52**	19,39,312	17.52
Gwalior Webbing Co. Pvt. Limited	**6,35,835**	**5.74**	6,35,835	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.)

(iv) Details of Shareholding of Promoters as on 31.03.2022

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	**No. of Shares**	**% of total shares**	
Aditya Marketing and Manufacturing Private Limited	**38,41,871**	**34.70**	-
B. K. Birla Foundation	**24,529**	**0.22**	-
Birla Educational Institution	**23,100**	**0.21**	-
Central India General Agents Limited	**420**	**0.00**	-
Jayantika Investment & Finance Limited	**9,380**	**0.08**	-
Padmavati Investment Private Limited	**19,69,780**	**17.79**	-
Prakash Educational Society	**4,98,129**	**4.50**	-
Zenith Distributors & Agents Limited	**4,771**	**0.04**	-
Total	**63,71,980**	**57.54**	

Details of Shareholding of Promoters as on 31.03.2021

Shares held by promoters at the end of the year *			% Change during the year
Promoter Name	**No. of Shares**	**% of total shares**	
Aditya Marketing and Manufacturing Private Limited	38,41,871	34.70	-
B. K Birla Foundation	24,529	0.22	-
Birla Educational Institution	23,100	0.21	-
Central India General Agents Limited	420	0.00	-
Jayantika Investment & Finance Limited	9,380	0.08	-
Padmavati Investment Private Limited	19,69,780	17.79	-
Prakash Educational Society	4,98,129	4.50	-
Zenith Distributors & Agents Limited	4,771	0.04	-
Total	63,71,980	57.54	

* Opening shares as on 01-04-2020 was 45,51,416 . However, there was no % change during the year as bonus shares were issued in equal right to all the Equity Shareholders of the Company.

(₹ In Lakhs)

Note 19	Other equity	
	As at 31.03.2022	As at 31.03.2021
Other reserves		
(i) Statutory reserve		
Balance as at the beginning of the year	**50,729.03**	45,458.42
Addition during the year	**3,502.51**	5,270.61
Less: Transferred during the year	**-**	-
	54,231.54	50,729.03
Others		
(ii) General reserve		
Balance as at the beginning of the year	**19,713.33**	19,713.33
Addition during the year	**-**	-
Less: Transferred during the year	**-**	-
	19,713.33	19,713.33

Notes forming part of the Financial Statements (Contd.)

Note 19	Other equity	
	As at 31.03.2022	As at 31.03.2021
(iii) Reserves representing unrealised gains/losses		
Equity instruments through other comprehensive income	**6,87,440.32**	2,40,037.60
Add / (Less) during the year	**1,03,827.25**	4,63,912.54
Less: Realised gain/(loss) on equity shares at FVTOCI transferred to retained earnings	**(2,913.30)**	(16,509.82)
	7,88,354.27	6,87,440.32
(iv) Retained earnings		
Surplus at the beginning of the year	**1,48,767.82**	1,29,978.89
Profit for the year	**14,925.01**	11,739.92
Remeasurement of net defined benefit through OCI net of tax	**0.79**	(7.94)
Realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive income	**2,913.30**	16,509.82
Current tax on realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive income	**(326.54)**	(1,888.72)
Transfer on account of Issue of Bonus Share	**-**	(316.35)
Dividend paid on equity shares	**(1660.84)**	(1,977.19)
Transfer to statutory reserve	**(3502.51)**	(5,270.61)
	1,61,117.03	1,48,767.82
Total	**10,23,416.17**	9,06,650.50

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 prevaling 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.

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 20 Interest income		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Financial assets measured at amortised cost		
Interest on loans	**20,653.08**	17,715.66
Interest on deposits with banks	**5.19**	9.16
Total	**20,658.27**	17,724.82

(₹ In Lakhs)

Note 21 Dividend income		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
- On investments		
Equity share instruments	**4,816.10**	2,913.55
Total	**4,816.10**	2,913.55

(₹ In Lakhs)

Note 22 Net gain/(loss) on fair value changes		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
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	**0.28**	6.35
Others	**-**	-
Total Net gain/(loss) on fair value changes	**0.28**	6.35
Fair Value changes:		
Realised	**-**	6.35
Unrealised	**0.28**	-
Total	**0.28**	6.35

(₹ In Lakhs)

Note 23 Others		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Rent income	**448.64**	200.63
Service charges	**98.28**	66.01
Total	**546.92**	266.64

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 24 Other income		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Miscellaneous receipts and income	**24.72**	88.93
Total	**24.72**	88.93

(₹ In Lakhs)

Note 25 Finance cost		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	**3,518.25**	3,224.11
Interest on debt securities	**2,375.35**	1,986.43
Total	**5,893.60**	5,210.54

(₹ In Lakhs)

Note 26 Employee benefit expense		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Salaries and wages	**126.75**	116.47
Contribution to provident and other funds		
- Provident Fund and pension fund	**11.64**	10.95
- Gratuity	**5.31**	4.39
Staff welfare expenses	**7.70**	7.12
Total	**151.40**	138.93

(₹ In Lakhs)

Note 27 Depreciation and amortization expense		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Depreciation and amortization expense		
On property, plant and equipment	**12.24**	17.02
On investment property	**22.37**	27.28
Total	**34.61**	44.30

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 28 Other expenses		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Rent, taxes and energy costs	**52.11**	77.87
Repairs and maintenance	**95.52**	88.15
Director's fees, allowances and expenses	**16.40**	13.60
Payments to the auditor		
As auditor	**4.00**	4.00
For Quarterly Review	**2.40**	1.95
For Other services	**2.30**	1.44
For reimbursement of out of pocket expenses	**-**	-
Corporate social responsibility expenses	**101.28**	25.05
Provision against Standard Assets of NBFCs (as per RBI Regulation)	**121.40**	241.46
Miscellaneous expenses	**157.72**	128.82
Total	**553.13**	582.34

The components of income tax expense for the years ended 31 March, 2022 and 2021 are: (₹ In Lakhs)

Note 29 Tax expenses		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Current tax	**4,498.46**	3,286.28
Deferred tax	**(9.92)**	(2.01)
Total tax charge	**4,488.54**	3,284.27
Current tax	**4,498.46**	3,286.28
Deferred tax	**(9.92)**	(2.01)

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, 2022 and 2021 is as follows:

(₹ In Lakhs)

Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Accounting profit before tax	**19,413.55**	15,024.18
Applicable tax rate	**25.17%**	25.17%
Tax on Accounting Profit	**4,886.39**	3,781.59
Tax effect of:		
Tax on expense not tax deductible	**28.86**	6.93
Tax effect on various other items	**(416.80)**	(502.24)
Tax expenses recognised in the statement of profit and loss	**4,498.46**	3,286.28
Effective tax rate	**23.17**	21.87

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	**(37,250.89)**	(8,585.16)
Credit / (charge) for equity instruments through OCI	**(15,084.78)**	(28,667.74)
Credit / (charge) for remeasurement of the defined benefit	**-**	-
Credit / (charge) to the statement of profit and loss	**9.92**	2.01
At the end of year DTA / (DTL) (net)	**(52,325.75)**	(37,250.89)

(₹ In Lakhs)

Note 30 Other comprehensive income		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**1.05**	(7.94)
Equity instruments through other comprehensive income	**1,18,911.77**	4,92,580.28
	1,18,912.82	4,92,572.34

(₹ In Lakhs)

Note 31 Earnings per share		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
(A) Basic earnings per share		
Computation of profit		
Net profit for the year attributable to equity shareholders (basic)	**14,925.01**	11,739.91
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	**1,10,72,250**	1,10,72,250
Basic earnings per share of face value of ₹ 10 each (in ₹)	**134.80**	106.03
(B) Diluted earnings per share		
Profit attributable to equity shareholders (diluted)	**14,925.01**	11,739.91
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
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**134.80**	106.03

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Note 32 Contingent liabilities and commitments (to the extent not provided for)		
Particulars	**As at 31st March, 2022**	As at 31st March, 2021
(A) Contingent liabilities		
Income Tax	**403.42**	354.59
(i) Assessing officer has demanded income tax of ₹ 403.42 lakhs (Net of refund of ₹ 208.28 lakhs) against the certain disallowances etc. (P.Y. ₹ 354.59 lakhs) for the A.Y. 2009-2010, 2010-2011, 2011-2012, 2013-2014, 2014-2015 and 2017-2018. The Company has filed an appeal before the DCIT, Appellate Tribunal, Kolkata. Matter is still under sub-judice.		
(B) Commitments		
(i) Uncalled liability on partly paid shares held as investments	-	495.03

Note 33 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.

The amounts expended are as follows: (₹ In Lakhs)

Particulars	**Year ended 31st March, 2022**	Year ended 31st March, 2021
(a) amount required to be spent by the company during the year	**101.25**	25.03
(b) amount of exenditure incurred	**101.28**	25.05
(c) shortfall at the end of the year	**Nil**	Nil
(d) total of previous year shortfall	**Nil**	Nil
(e) reason for shortfall	**NA**	NA
(f) nature of CSR activities		
(i) construction/acquisition of any assets	**-**	-
(ii) on purpose other than (i) above	**101.28**	25.05
(g) details of related party transactions	**NA**	NA
(h) provision made with respect to a liability incurred by entering into contractual obligations	**NA**	NA

Notes forming part of the Financial Statements (Contd.)

Note 34 Lease Disclosures

(a) As lessee

During the period ended March 31, 2022 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 31st March, 2022 (Previous Year : ₹ 25.89 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 ₹ 448.64 lakhs and ₹ 200.63 lakhs for the year ended 31st March, 2022 and 2021 respectively in the statement of profit and loss.

Note 35 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 and Financing" activities 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 36 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 (under process of striking off)
2	Non-Executive Directors	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
3	Key Management Personnel	Shri R. P. Pansari (CEO)
		Shri J. K. Singhania (CFO)
		Shri R. S. Kashyap (Company Secretary)
4	Other related parties	
	Associate Company	Century Textiles & Industries Limited

Notes forming part of the Financial Statements (Contd.)

Transactions with related parties are as follows:

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Subsidiaries	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Loans & Advances Received	-	86.00

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Non-Executive Directors	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Sitting Fees	**16.40**	13.60

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Remuneration (including bonus and retirement benefits)	**135.38**	128.51

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Other Related Parties	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Dividend Received	**369.79**	1,109.35

(₹ In Lakhs)

Sr. No.	Nature of Transactions	Outstanding as on	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Loans & Advances	-	-

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, 2022	Maximum Balance outstanding during the year ended 31st March, 2022
		-	-

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Sr. No.	Name	As at 31st March, 2021	Maximum Balance outstanding during the year ended 31st March, 2021
		-	-

Note 37

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, 2022	As at 31st March, 2021
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 38

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)	UltraTech Cement Ltd.	**657**	10/-
(h)	Kesoram Textile Mills Ltd.	**600**	2/-

Notes forming part of the Financial Statements (Contd.)

Note 39

The Board of Directors recommended dividend of ₹ 15/- per equity share of face value of ₹ 10/- each, which is subject to approval by shareholders of the Company.

Note 40

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 31st March, 2022 and 31st March, 2021. 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 offset in balance sheet	Net amount presented in balance sheet	Amount subject to master netting arrangement	Financial instrument collateral	Net Amount
31st March, 2022						
Loans and Advances	-	-	-	-	-	-
31st March, 2021						
Loans and Advances	-	-	-	-	-	-

Note 41 Disclosure pursuant to Ind-AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities

(₹ In Lakhs)

Particulars	1st April, 2021	Cash flows	Changes in fair values	Others	31st March, 2022
Debt securities	41,503.34	25,626.28	-	-	**67,129.62**
Borrowings (other than debt securities)	39,500.00	-	-	-	**39,500.00**
Subordinated debt	-	-	-	-	**-**

(₹ 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	(2,500.00)	-	-	39,500.00
Subordinated debt	-	-	-	-	-

Note 42

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.

Notes forming part of the Financial Statements (Contd.)

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 43 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, 2022			As at 31st March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	439.68	-	439.68	69.90	-	69.90
Bank balance other than above	34.86	-	34.86	2,238.63	-	2,238.63
Trade receivabale	29.60	-	29.60	45.25	-	45.25
Loans	2,31,850.00	-	2,31,850.00	2,01,500.00	-	2,01,500.00
Investments	-	9,51,496.86	9,51,496.86	-	8,22,404.59	8,22,404.59
Other financial assets	-	-	-	-	-	-
Non-financial assets						
Current tax assets (net)	544.27	-	544.27	506.81	-	506.81
Investment property	-	110.94	110.94	-	133.31	133.31
Property, plant and equipment	-	33.76	33.76	-	46.00	46.00
Other non-financial assets	23.95	17.46	41.41	10.94	17.46	28.40
Total assets	2,32,922.36	9,51,659.02	11,84,581.38	2,04,371.53	8,22,601.36	10,26,972.89
Liabilities						
Financial liabilities						
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	5.33	-	5.33	13.80	-	13.80
Debt securities	67,129.62	-	67,129.62	41,503.34	-	41,503.34
Borrowings (other than debt securities)	22,000.00	17,500.00	39,500.00	-	39,500.00	39,500.00
Other financial liabilities	37.15	-	37.15	40.38	0.26	40.64
Non-financial liabilities						
Provisions	14.89	944.83	959.72	11.92	820.19	832.11
Deferred tax liabilities (net)	-	52,325.76	52,325.76	-	37,250.89	37,250.89
Other non-financial liabilities	100.40	-	100.40	74.38	-	74.38

Notes forming part of the Financial Statements (Contd.)

	As at 31st March, 2022			As at 31st March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Total liabilities	**89,287.39**	**70,770.59**	**1,60,057.98**	41,643.82	77,571.34	1,19,215.16
Net	**1,43,634.97**	**8,80,888.43**	**10,24,523.40**	1,62,727.71	7,45,030.02	9,07,757.73

Note 44 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 ₹ 10.69 lakhs (31st March, 2021 : ₹ 10.19 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.

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.

Notes forming part of the Financial Statements (Contd.)

The status of gratuity plan as required under Ind AS-19 is as under : (₹ In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	**18.46**	6.13
Current service cost	**4.13**	4.00
Past service cost	**-**	-
Interest cost	**1.18**	0.39
Acquisition adjustment		
Benefit paid	**-**	-
Change in demographic assumptions	**-**	-
Change in financial assumptions	**(0.32)**	-
Experience variance (i.e. Actual experience vs assumptions)	**(0.73)**	7.94
Present value of defined benefit obligations at the end of the year	**22.72**	18.46
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
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	**-**	-
Assets acquired in an amalgamation in the nature of purchase	**-**	-
Exchange differences on foreign plans	**-**	-
Benefits paid	**-**	-
Fair value of plan assets at the end of the year	**-**	-
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	**22.72**	18.46
Fair value of plan assets at the end of the year	**-**	-
Unrecognised past service cost	**-**	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(22.72)**	(18.46)
iv. Composition of plan assets		
Total	**-**	-

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
v. Expense recognised during the year		
Current service cost	**4.13**	4.00
Past service cost	**-**	-
Interest cost	**1.18**	0.39
Expenses recognised in the statement of profit and loss	**5.31**	4.39
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	**(0.32)**	-
Due to experience adjustments	**(0.73)**	7.94
Return on plan assets excluding amounts included in interest income	**-**	-
Components of defined benefit costs recognised in other comprehensive income	**(1.05)**	7.94
vii. Principal actuarial assumptions		
Discount rate (per annum)	**6.80%**	6.40%
Rate of return on plan assets (p.a.)	**-**	-
Annual increase in salary cost	**5.00%**	5.00%
Mortality Rate (% of IALM 2012-14) (31.03.2021: % of IALM 2012-14)	**100%**	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: (₹ In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Defined benefit obligation (Base)	**22.72**	18.46

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	**23.55**	**22.00**	19.22	17.82
(% change compared to base due to sensitivity	**3.66%**	**-3.14%**	4.12%	-3.50%
Salary growth rate (- / + 1%)	**21.97**	**23.58**	17.79	19.24
(% change compared to base due to sensitivity)	**-3.29%**	**3.79%**	-3.66%	4.24%
Attrition Rate (-/+50%)	**22.61**	**22.81**	18.40	18.52
(% change compared to base due to sensitivity)	**-0.45%**	**0.40%**	-0.35%	0.30%
Mortality Rate (-/+10%)	**22.70**	**22.73**	18.45	18.47
(% change compared to base due to sensitivity)	**-0.08%**	**0.08%**	-0.07%	0.07%

Notes forming part of the Financial Statements (Contd.)

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. (₹ In Lakhs)

	Cash Flow
1 Year	**14.62**
2 to 5 Years	**3.68**
6 to 10 Years	**1.06**
More than 10 Years	**12.99**

Note 45

Contribution to political parties during the year 2021-22 is ₹ Nil (previous year ₹ Nil).

Note 46

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2022.

Note 47 Events after the reporting period

There has been no events after the reporting date that require disclosure in financial statements.

Note 48 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 31st March, 2022	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	
Financial assets measured at fair value								
Investments	-	3,000.13	9,04,797.37	-	9,04,777.91	-	19.46	9,04,797.37
Financial assets not measured at fair value								
Cash and cash equivalents	439.68	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	34.86	-	-	-	-	-	-	-
Trade Receivables	29.60	-	-	-	-	-	-	-
Loans	2,31,850.00	-	-	-	-	-	-	-
Investments in subsidiaries and associates	-	-	-	41,599.36	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

As at 31st March, 2022	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	
Investment in Preference Share	-	-	-	2,100.00	-	-	-	-
Other Financial Assets	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	5.33	-	-	-	-	-	-	-
Debt securities	67,129.62	-	-	-	-	-	-	-
Borrowings (other than debt securities)	39,500.00	-	-	-	-	-	-	-
Other financial liabilities	37.15	-	-	-	-	-	-	-

(₹ In Lakhs)

As at 31st 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	
Financial assets measured at fair value								
Investments	-	-	7,78,705.23	-	7,78,685.77	-	19.46	7,78,705.23
Financial assets not measured at fair value								
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	-	-	-	-
Preference Share Application Money (pending allotment)	-	-	-	2,100.00	-	-	-	-
Other Financial Assets	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	13.80	-	-	-	-	-	-	-
Debt securities	41,503.34	-	-	-	-	-	-	-
Borrowings (other than debt securities)	39,500.00	-	-	-	-	-	-	-
Other financial liabilities	40.64	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

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 Subsidiaries and Associates are valued at Cost.

Reconciliation of level 3 fair value measurement is as follows: (₹ In Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
i) Investments		
Balance at the beginning of the year	**19.46**	19.46
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	-	-
Balance at the end of the year	**19.46**	19.46

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.

Notes forming part of the Financial Statements (Contd.)

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.

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

Ratio	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021
CRAR	(CRAR Tier I + CRAR Tier II) x 100	Risk Weighted Assets	**52.85**	60.07
CRAR- Tier I Capital (%)	Adjusted Net Worth x 100	Total Risk Weighted Assets	**52.85**	60.07
CRAR- Tier II Capital (%)	Adjusted Net Worth x 100	Total Risk Weighted Assets	**-**	-
Amount of subordinated debt raised as Tier-II capital			**-**	-
Amount raised by issue of perpetual debt instruments			**-**	-

CRAR for 2021-2022 & 2020-2021 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 49 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.

Notes forming part of the Financial Statements (Contd.)

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.

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, 2022	As at 31st March, 2021
Trade Receivables	**29.60**	45.25
Loans	**2,31,850.00**	2,01,500.00

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.

2a) 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.

Notes forming part of the Financial Statements (Contd.)

(₹ In Lakhs)

	Upto 12 months	More than 12 months	Total
As at 31st March, 2022			
Debt securities	67,129.62	-	67,129.62
Borrowings	22,000.00	17,500.00	39,500.00
Trade payable	5.33	-	5.33
As at 31st March, 2021			
Debt securities	41,503.34	-	41,503.34
Borrowings	-	39,500.00	39,500.00
Trade payable	13.80	-	13.80

2b) Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity NBFCs are required to maintain adequate pool of unencumbered High-Quality Liquid Assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

For the purpose of HQLA the Company considered: (1) All the contractual debt repayments, (2) committed credit facilities contracted with customers, and (3) other expected cash outflows. Inflows comprises of: (1) expected receipt from all performing ICDs, and (2) liquid investment which are encumbered and have not been considered as part of HQLA.

Quantitative information on Liquidity Coverage Ratio (LCR) for the year ended March 31, 2022 is given below:

(₹ in Crore)

Particulars		Quarter - 1		Quarter - 2		Quarter - 3		Quarter - 4	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	7,944.43	3,989.91	8,500.76	4,253.33	8,163.88	4,083.27	8,446.27	4,225.34
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	757.00	870.55	329.00	378.35	75.00	86.25	325.00	373.75
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

Particulars		Quarter - 1		Quarter - 2		Quarter - 3		Quarter - 4	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
(iii)	*Credit and liquidity facilities*	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	1.59	1.83	2.54	2.92	0.97	1.11	1.00	1.15
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash Outflows**	758.59	872.38	331.54	381.27	75.97	87.36	326.00	374.90
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	4.54	3.41	2.33	1.75	0.88	0.66	0.30	0.22
12	**Total Cash Inflows**	4.54	3.41	2.33	1.75	0.88	0.66	0.30	0.22
		Total Adjusted Value							
13	**Total HQLA**		3,989.91		4,253.33		4,083.27		4,225.34
14	**Total Net Cash Outflows**		868.97		379.53		86.70		374.68
15	**Liquidity Coverage Ratio (%)**		459.16%		1120.69%		4709.52%		1127.71%

Quantitative information on Liquidity Coverage Ratio (LCR) for the year ended March 31, 2021 is given below:

(₹ in Crore)

Particulars		Quarter - 1		Quarter - 2		Quarter - 3		Quarter - 4	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)	3,714.92	1,858.04	3,810.92	1,923.09	5,027.81	2,514.94	6,977.88	3,489.29
Cash Outflows									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

3	Unsecured wholesale funding	233.03	267.98	18.50	21.28	168.00	193.20	65.00	74.75
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	*Outflows related to derivative exposures and other collateral requirements*	-	-	-	-	-	-	-	-
(ii)	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
(iii)	*Credit and liquidity facilities*	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	0.34	0.39	2.12	2.44	0.79	0.91	0.74	0.86
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash Outflows**	233.37	268.37	20.62	23.72	168.79	194.11	65.74	75.61
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	-	-	-	-	-	-	-	-
11	Other cash inflows	1.22	0.91	0.64	0.48	0.61	0.46	0.45	0.34
12	**Total Cash Inflows**	1.22	0.91	0.64	0.48	0.61	0.46	0.45	0.34
		Total Adjusted Value							
13	**Total HQLA**		1,858.04		1,923.09		2,514.94		3,489.29
14	**Total Net Cash Outflows**		267.46		23.24		193.65		75.27
15	**Liquidity Coverage Ratio (%)**		694.70%		8275.02%		1298.70%		4635.94%

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.

4) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the Company to Cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

Notes forming part of the Financial Statements (Contd.)

Note 50 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 31st March, 2022	For the year ended 31st March, 2021
Type of income		
Interest on Inter-Corporate Deposit	**20,653.08**	17,715.66
Rental Income	**448.64**	200.63
Service Charges	**98.28**	66.01
Total revenue from contracts with customers	**21,200.00**	17,982.30
Geographical markets		
India	**21,200.00**	17,982.30
Outside India	**-**	-
Total revenue from contracts with customers	**21,200.00**	17,982.30
Timing of revenue recognition		
Services transferred at a point in time	**-**	-
Services transferred over time	**21,200.00**	17,982.30
Total revenue from contracts with customers	**21,200.00**	17,982.30

Note 51

i. The company has no immovable property whose title deeds are not held in the name of the company and it also has no such immovable property which is jointly held with others.

ii. The Company has not revalued its Property, Plant and Equipment accordingly disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable to the Company.

iii. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company for the financial year 2021-22.

iv. The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

v. The company has any not entered into any transactions with companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year ended on 31st March, 2022.

vi. During the year Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; the company.

Notes forming part of the Financial Statements (Contd.)

vii. During the year Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii. The Company has no such transaction which are not recorded in the books of accounts during the year and also there are not such unrecorded income and related assets related to earlier years which have been recorded in the books of account during the year.

ix. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

x. The Company does not have any charge or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

xi. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restiriction on number of Layers) Rules, 2017.

Note 52

Previous year figures have been regrouped / reclassified whereever necessary.

Note 53

The above financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 27th May, 2022.

As per our Report of even date

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

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

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

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		2021-22	2020-21
a) Direct exposure			
(i) Residential Mortgages -			
	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
(ii) Commercial Real Estate -			
	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
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -			
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
b) Indirect exposure			
	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

(₹ 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 31st March, 2022
Liabilities:									
Borrowing (Debt Securities)	32,405.24	14,908.07	19,816.31	-					67,129.62
Borrowings	-	-	-	7,500.00	14,500.00	17,500.00	-	-	39,500.00
Assets:									
Advances	15,800.00	7,400.00	52,250.00	29,850.00	1,26,550.00	-	-	-	2,31,850.00
Investments	-	-	-	-	-	-	2,100.00	9,49,396.86	9,51,496.86

3) Liabilities side:

Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ In Lakhs)

Sl. No.	Particulars	As at 31st March, 2022		As at 31st March, 2021	
		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		39,500.00	
(d)	Inter-corporate loans and borrowings	-	-	-	
(e)	Commercial paper (net of unexpired discount charges)	67,129.62	-	41,503.34	
(f)	Other loans (cash credit)	-	-	-	-

4) Assets side:

(₹ In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
	Amount Outstanding	Amount Outstanding
(a) Secured	-	-
(b) Unsecured	2,31,850.00	2,01,500.00

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 31st March, 2022 Amount Outstanding	As at 31st March, 2021 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 31st March, 2022 Amount Outstanding	As at 31st March, 2021 Amount Outstanding
	Current Investments		
1	**Quoted**		
i	Shares:		
a.	Equity	-	-
b.	Preference	-	-
ii.	Debentures and bonds	-	-
iii.	Units of mutual funds	**3,000.13**	-
iv.	Government securities	-	-
v.	Others (please specify)	-	-
2	**Unquoted**		
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 31st March, 2022 Amount Outstanding	As at 31st March, 2021 Amount Outstanding
	Long term investments		
1	**Quoted**		
i	Shares:		
a.	Equity	**9,49,367.40**	8,20,275.13
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**	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 31st March, 2022			As at 31st March, 2021		
		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	-	**9,48,486.33**	**9,48,486.33**	-	8,22,394.19	8,22,394.19
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	-	**3,000.53**	**3,000.53**	-	0.40	0.40
	Total	-	**9,51,496.86**	**9,51,496.86**	-	8,22,404.59	8,22,404.59

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 31st March, 2022		As at 31st March, 2021	
		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	**559.36**	**10.00**	494.87	10.00
	(b) Companies in the same group	**12,22,915.84**	**9,48,486.33**	9,52,773.68	8,22,394.19
	(c) Other related parties	-	-	-	-
2	Other than related parties	**3,000.53**	**3,000.53**	0.40	0.40
	Total	**12,26,475.73**	**9,51,496.86**	9,53,268.95	8,22,404.59

Notes forming part of the Financial Statements (Contd.)

9) Other information

(₹ In Lakhs)

Sl. No.	Particulars	As at 31st, March, 2022 Amount Outstanding	As at 31st March, 2021 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 31st, March, 2022 Amount Outstanding	As at 31st March, 2021 Amount Outstanding
1. Value of investments		
(i) Gross value of investments		
(a) In India	**9,51,483.41**	8,22,391.14
(b) Outside India	**13.45**	13.45
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	**9,51,483.41**	8,22,391.14
(b) Outside India	**13.45**	13.45
2. Movement of provisions held towards depreciation on investments		
(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:

1) Forward rate agreement / Interest rate swap: The Company has not traded in Forward rate agreement/ Interest rate derivative during the financial year ended March 31, 2022. (Previous year: Nil)

2) 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, 2022. (Previous year: Nil)

12) Securitization: No securitization deal (including assignment deal) has carried out during the financial year ended March 31, 2022. (Previous year: Nil)

13) Asset liability management maturity pattern: Refer note no. 2 of Annexure-I for details of Asset liability management maturity pattern.

Notes forming part of the Financial Statements (Contd.)

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: (₹ In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Loan	**2,31,850.00**	2,01,500.00

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: (₹ In Lakhs)

Instrument	2021-22		
	INDIA RATINGS	CARE	CRISIL
Non-Convertible Debentures		-	AA/Stable
Commercial Paper		A1+	A1+

Instrument	2020-21		
	INDIA RATINGS	CARE	CRISIL
Non-Convertible Debentures	-	-	-
Commercial Paper	-	A1+	A1+

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	2021-22	2020-21
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(*)	**4,498.46**	3,286.28
MAT credit entitlement written off	**-**	-
Deferred tax	**(9.92)**	(2.01)
Short provision relating to earlier years	**-**	-
Other provision and contingencies	**-**	-
Provision for standard assets	**121.40**	241.46

(*) The figures does not include Income Tax Provision of Rs. 326.54 (P.Y. Rs. 1888.72 Lakhs) shown in Other Equity (Equity Instruments through OCI) refer note no. 19

17) Concentration of Advances and NPAs:

I) Concentration of Advances: (₹ In Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total Inter corporate deposit to twenty largest borrowers	**2,31,850.00**	2,01,500.00
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 31st March, 2022	As at 31st March, 2021
Total Exposure to top four NPA accounts	**-**	-

18) Disclosure of customer complaints:

Sl. No.	Particulars	2021-22	2020-21
(i)	No. of complaints pending at the beginning of the year	**Nil**	Nil
(ii)	No. of complaints received during the year	**5**	3
(iii)	No. of complaints redressed during the year	**5**	3
(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 profit in its associate which comprise the Consolidated Balance Sheet as at March 31, 2022,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, 2022 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its 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
Valuation of Investments As per provisions of Indian Accounting Standards the Company's Investments excluding investments in Subsidiaries and Associate 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.	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.
The valuation is performed by the Company using a fair value hierarchy as applicable below:	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.

Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
• Level 1: valuations based on quoted prices (unadjusted) in active markets. • Level 2: valuations based on other than quoted prices included within level 1 that are observable either directly or indirectly. • Level3: valuations based on unobservable inputs for the asset 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.	As part of these audit procedures, we assessed the accuracy of key inputs used in the valuation including observable and non-observable inputs. We also evaluated the Company's assessment whether objective evidence of impairment exists for individual Investments. Based on these procedures, we have not noted any material differences outside the predefined tolerable differences threshold.

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

Independent Auditor's Report (Contd.)

and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, 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 auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Contd.)

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 profit of Rs. 5513.23 Lakhs and total comprehensive income of Rs 7470.15 Lakhs for the year ended March 31, 2022 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.4961.76 Lakhs as at March 31, 2022, total revenues of Rs.102.90 Lakhs, total net profits/(loss) after tax of Rs.74.00 Lakhs, total comprehensive income of Rs.1458.75 Lakhs and cash flow (net) of Rs 57.42 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.

3. The figures for the financial year ended March 31, 2021, included in the statement were audited by predecessor auditor. The predecessor auditors have expressed an unmodified opinion for the above period vide their audit report dated June 29, 2021 which have been furnished to us and which have been relied upon by us for the purpose of our audit of the statement.

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

Independent Auditor’s Report (Contd.)

and belief were necessary for the purposes of our auditor the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books 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, 2022 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, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent Company, 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.

   iv. a) The respective Managements of the Company and its subsidiary and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries or associate (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Independent Auditor's Report (Contd.)

b) The respective Managements of the Parent and its subsidiary and associate which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary and associate respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or its subsidiary or associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or its subsidiary or associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Parent has declared dividend during the year and it is in compliance with section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies(Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements except for the following:

Name of The Company	CIN	Nature of Relationship	Clause Number of CARO report with qualifications or adverse remark
Century Textiles and Industries Limited	L17120MH1897PLC000163	Associate	Claue (i)(c),(vii)(b)

For **Kothari & Company**
Chartered Accountants
FRNO. 301178-E

Manaswy Kothari
Partner
Membership No. 064601
UDIN: 22064601AJSBUU3125

Date: 27th May, 2022
Place: Kolkata

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, 2022, we have audited the internal financial controls over financial reporting of Pilani 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

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

assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2022, 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 **Kothari & Company**
Chartered Accountants
FRNO. 301178-E

Manaswy Kothari
Partner
Membership No. 064601
UDIN: 22064601AJSBUU3125

Date: 27th May, 2022
Place: Kolkata

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**

Recognition and Measurement of Deferred Tax
The Group has recognized Minimum Alternate Tax (MAT) credit receivable of Rs.416.54 Crores as at March 31, 2022. The Group also has recognized deferred tax assets of Rs.137.86 Crores on unabsorbed depreciation and indexation benefit on land. 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.
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
	Our procedures included, amongst others, the following:
	• Considered Group's accounting policies with respect to recognition and measurement of tax balances in accordance with Ind AS 12 "Income Taxes"
	• 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
	• Performed the test of details including the following key procedures
	  • 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
	  • Discussed the future business plans and financial projections as approved by the management
	  • 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.
	  • 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.
	• Assessed the disclosures in accordance with the requirement of Ind AS 12 "Income Taxes"

Consolidated Balance Sheet as at 31st March, 2022

(₹ In Lakhs)

Sl. No.	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
	ASSETS :			
(1)	**Financial assets**			
(a)	Cash & cash equivalents	**2**	**465.32**	128.12
(b)	Bank balances other than cash and cash equivalents	**3**	**124.86**	2,238.63
(c)	Trade receivables	**4**	**29.60**	45.25
(d)	Loans	**5**	**2,31,850.00**	2,01,500.00
(e)	Investments	**6**	**10,37,569.33**	9,00,116.62
(f)	Other financial assets	**7**	**2.70**	0.04
			12,70,041.81	11,04,028.66
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	**8**	**551.24**	506.09
(b)	Investment property	**9**	**372.94**	395.83
(c)	Property, plant & equipment	**10**	**33.76**	46.00
(d)	Other non financial assets	**11**	**61.60**	48.59
			1,019.54	996.51
	TOTAL ASSETS		**12,71,061.35**	11,05,025.17
	LIABILITIES AND EQUITY:			
	Liabilities			
(1)	**Financial liabilities**			
(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		**6.00**	14.45
(b)	Borrowings (Debt Securities)	**13**	**67,129.62**	41,503.34
(c)	Borrowings(Other than debt securities)	**14**	**39,500.00**	39,500.00
(d)	Other financial liabilities	**15**	**637.59**	641.04
			1,07,273.21	81,658.83
(2)	**Non-financial liabilities :**			
(a)	Provisions	**16**	**959.72**	832.11
(b)	Deferred tax liabilities (net)	**17**	**52,501.15**	37,557.80
(c)	Other non financial liabilities	**18**	**100.52**	74.45
			53,561.39	38,464.36
(3)	**Equity**			
(a)	Equity share capital	**19**	**1,107.23**	1,107.23
(b)	Other equity	**20**	**11,09,119.52**	9,83,794.75
			11,10,226.75	9,84,901.98
	TOTAL LIABILITIES AND EQUITY		**12,71,061.35**	11,05,025.17

Summary of significant accounting policies **1**
See accompanying notes forming part of the financial statements **2 to 53**

As per our Report of even date

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

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2022

(₹ In Lakhs)

Sl. No.	Particulars	Note No.	For the year ended on 31.03.2022	For the year ended on 31.03.2021
	Revenue from Operations			
(i)	Interest income	21	20,661.63	17,725.26
(ii)	Dividend income	22	4,531.44	1,854.64
(iii)	Net gain on fair value changes	23	8.30	16.33
(iv)	Others	24	553.30	273.02
(I)	**Total revenue from operations**		25,754.67	19,869.25
(II)	Other income	25	24.72	88.93
(III)	**Total income**		25,779.39	19,958.18
	Expenses			
(i)	Finance cost	26	5,893.60	5,210.54
(ii)	Employee benefit expense	27	151.52	139.05
(iii)	Depreciation and amortization expense	28	35.14	44.83
(iv)	Other expenses	29	557.99	594.31
(IV)	**Total expenses**		6,638.25	5,988.73
V	**Profit before exceptional items and tax**		19,141.14	13,969.45
VI	**Exceptional items**		-	-
VII	**Profit before tax**		19,141.14	13,969.45
VIII	**Tax expenses**	30		
	1) Current tax		4,521.18	3,297.08
	2) Deferred tax		(9.23)	(1.26)
			4,511.95	3,295.82
IX	**Profit for the year**		14,629.19	10,673.63
X	**Share of profit in an associate company**		5,513.23	(1,007.76)
XI	**Profit for the year**		20,142.42	9,665.87
XII	**Other comprehensive income**	31		
	Items that will not be reclassified to profit or loss		1,22,119.26	4,96,856.34
	Income tax relating to items that will not be reclassified to profit or loss		(14,963.46)	(28,848.22)
	Subtotal (A)		1,07,155.80	4,68,008.12
	Items that will be reclassified to profit or loss		20.86	(0.99)
	Income tax relating to items that will be reclassified to profit or loss		(6.96)	0.33
	Subtotal (B)		13.90	(0.66)
XIII	**Other comprehensive income**		1,07,169.70	4,68,007.46
	Total comprehensive income for the year (comprising profit (loss) and other Comprehensive Income for the year)		1,27,312.12	4,77,673.33
XIV	**Earnings per equity share**	32		
	1) Basic (₹)		181.92	87.30
	2) Diluted (₹)		181.92	87.30

Summary of significant accounting policies **1**

See accompanying notes forming part of the financial statements **2 to 53**

As per our Report of even date

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

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Consolidated Cash Flow Statement for the year ended 31st March, 2022

(₹ In Lakhs)

Particulars	For the year ended on 31.03.2022	For the year ended on 31.03.2021
A. Cash Flow from operating activities		
Net Profit before Tax	**19,141.14**	13,969.45
Adjustments for:		
Depreciation	**35.14**	44.83
Net (gain)/loss on fair value changes	**(6.88)**	(7.88)
Finance cost	**5,893.60**	5,210.54
Operating profit before working capital changes	**25,063.00**	19,216.94
Changes in working capital:		
Trade receivables	**15.64**	38.69
Loans and other advances	**(30,365.66)**	(57,064.27)
Trade and other payables	**142.85**	(1,158.55)
Cash generated from operations	**(5,144.17)**	(38,967.19)
Direct tax paid	**(4,892.51)**	(5,253.82)
Net Cash Flow From/(Used In) in operating activities	**(10,036.68)**	(44,221.01)
B. Cash Flow from investment activities		
Bank deposits other than cash and cash equivalents	**2,203.77**	(2,196.59)
Sale/(Purchase) of investments (Net)	**(9,811.73)**	14,308.33
Purchase of property, plant and equipment's	**-**	(0.24)
Net cash flow from/(used in) investment activities	**(7,607.96)**	12,111.50
C. Cash Flow from financing activities		
Borrowings (net)	**25,626.28**	39,003.34
Payment of dividend	**(1,660.84)**	(1,977.19)
Finance cost	**(5,893.60)**	(5,210.54)
Net cash flow from/(used In) in financing activities	**18,071.84**	31,815.61
Net increased/(decreased) in cash and cash equivalents (A+B+C)	**427.20**	(293.90)
Opening cash and cash equivalents	**128.12**	422.02
Closing cash and cash equivalents	**555.32**	128.12

Consolidated Cash Flow Statement for the year ended 31st March, 2022 (Contd.)

Notes:

1. Components of cash and cash equivalents:

(₹ In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Cash on hand	**0.14**	0.41
Balances with banks		
- In current accounts	**555.18**	127.71
Total	**555.32**	128.12

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 ₹ 20,661.63 lakhs (Previous year ₹ 17,725.26 Lakhs) and dividend earned of ₹ 4,531.44 lakhs (Previous year ₹ 1,854.64 lakhs) have been considered as part of "Cash flow from operating activities".

As per our Report of even date

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

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

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

A Equity share capital

1. As on 31.03.2022

(₹ In Lakhs)

Particulars	No. of Equity Shares of Rs. 10 each	Balance as the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period (Amount)	Changes in equity share capital during the year	Balance at the end of the reporting year (Amount)
Issued, paid-up and subscribed	**1,10,72,250**	**1,107.23**	**-**	**1,107.23**	**-**	**1,107.23**

2. As on 31.03.2021

(₹ In Lakhs)

Particulars	No. of Equity Shares of Rs. 10 each	Balance as the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period (Amount)	Changes in equity share capital during the year	Balance at the end of the reporting year (Amount)
Issued, paid-up and subscribed	**1,10,72,250**	**790.88**	**-**	**790.88**	**316.35**	**1,107.23**

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	Money received against share warrants	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained Earnings					
Balance at the beginning of the reporting period 01.04.2020	**45,458.42**	**35,897.00**	**19,713.61**	**1,67,477.11**	**2,41,367.22**	**(13.24)**	**403.57**	-	**5,10,303.69**
Changes in accounting policy/ prior period expenses	-	-	-	-	-	-	-	-	-
Restated Balance at the beginning of the reporting year 01.04.2020	45,458.42	35,897.00	19,713.61	1,67,477.11	2,41,367.22	(13.24)	403.57	-	5,10,303.69
Profit for the year				**9,665.87**					9,665.87
Other Comprehensive Income for the year net of income tax				67.54	**4,65,074.87**	**(0.66)**	**2,865.70**		4,68,007.46
Total comprehensive income for the year	-	-	-	**9,733.41**	4,65,074.87	(0.66)	2,865.70	-	4,77,673.33
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)

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022 (Contd.)

B Other equity (₹ In Lakhs)

Particulars	Reserve and Surplus				Equity Instruments through Other Comprehen-sive Income	Share in Cash Flow Reserve through Other Comprehen-sive Income of Associates	Share in Equity Instruments through Other Comprehen-sive Income of Associates	Money received against share warrants	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained Earnings					
Transfer to statutory reserve from Retained Earnings	5,270.61	-	-	(5,270.61)	-	-	-	-	-
Balance at the end of the reporting period 31.03.2021	**50,729.03**	**35,897.00**	**19,713.61**	**1,84,313.62**	**6,89,886.12**	**(13.90)**	**3,269.27**	**-**	**9,83,794.75**
Changes in accounting policy/ prior period expenses	-	-	-	-					-
Restated Balance at the beginning of the reporting year 01.04.2020	50,729.03	35,897.00	19,713.61	1,84,313.62	6,89,886.12	(13.90)	3,269.27	-	9,83,794.75
Profit for the year				20,142.42					20,142.42
Other Comprehensive Income for the year net of income tax				21.65	1,05,211.98	**13.90**	**1,922.17**		1,07,169.70
Total comprehensive income for the year	-	-	-	20,164.07	1,05,211.98	13.90	1,922.17	-	1,27,312.12
Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity Instruments through Other Comprehensive Income	-	-	-	2,913.30	(2,913.30)	-	-	-	-
Less: Current tax on realised gain/(loss) on equity shares FVTOCI transferred from Equity Instruments through Other Comprehensive Income	-	-	-	(326.54)	-	-	-	-	(326.54)
Dividend paid during the Year	-	-	-	(1,660.84)	-	-	-	-	(1,660.84)
Transfer to statutory reserve from Retained Earnings	3,502.51	-	-	(3,502.51)	-	-	-	-	-
Balance at the end of the reporting period 31.03.2022	**54,231.54**	**35,897.00**	**19,713.61**	**2,01,901.10**	**7,92,184.80**	**(0.01)**	**5,191.44**	**-**	**11,09,119.50**

As per our Report of even date

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

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

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Notes forming part of the Financial Statements

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.

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.

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

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.

(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

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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 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.

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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.

1.7. 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.

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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.

1.9. 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.

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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.

1.11. 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.

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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.

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

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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.

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.

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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.

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 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

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- 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
- 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

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.

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.

1.14. 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.

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- 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 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 in stage 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

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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 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 ECLis 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 cash flows 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 cash flows 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).

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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 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 cash flows 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.

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

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 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.

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

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 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.

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

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. 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 tax as 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. Recent Accounting Developments:

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) has amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of the Schedule III and are applicable from April 1, 2021. Some of the key amendments relating to Division III which relate to NBFC whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

i) Ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development to be given as per specified format.

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

ii) Promoter Shareholding to be disclosed separately as per prescribed format.

iii) CRAR, Tier I CRAR, Tier II CRAR and Liquidity coverage ratio to be disclosed

Statement of Profit and Loss:

Additional disclosures related to Corporate Social Responsibility (CSR) in the notes forming part of standalone financial statements.

The amendments are extensive and the Company has given effect as required by the law.

1.30. 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 under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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

(₹ In Lakhs)

Note 2	Cash & Cash Equivalents		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Cash on hand		**0.14**	0.41
Balances with banks			
- In current accounts		**465.18**	127.71
Total		**465.32**	128.12

(₹ In Lakhs)

Note 3	Bank balances other than cash and cash equivalents		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Earmarked Balances with bank			
Unpaid dividend account		**34.21**	38.63
Bonus fraction share account		**0.65**	
Balance with banks held as margin money		**-**	-
Term deposit of up to twelve months Maturity		**90.00**	2,200.00
Total		**124.86**	2,238.63

(₹ In Lakhs)

Note 4	Receivables		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Trade Receivables			
Receivables considered good - Unsecured		**29.60**	45.25
Total		**29.60**	45.25

(₹ In Lakhs)

Trade Receivable aging schedule						
Particulars	**Outstanding for following periods from due date of payment as on 31st March 2022**					**Total**
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	29.60	-	-	-	-	29.60
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(i) Disputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**29.60**	**-**	**-**	**-**	**-**	**29.60**

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

(₹ In Lakhs)

Trade Receivable aging schedule						
Particulars	Outstanding for following periods from due date of payment as on 31st March 2021					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	30.08	-	-	-	15.17	45.25
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(i) Disputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(ii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**30.08**	**-**	**-**	**-**	**15.17**	**45.25**

(₹ In Lakhs)

Note 5 Loans		
Particulars	**As at 31.03.2022**	As at 31.03.2021
(A) At amortised cost		
Loans repayable on demand		
- to Related parties	-	-
- to Others	**2,31,850.00**	2,01,500.00
Total (A)	**2,31,850.00**	2,01,500.00
(B) At amortised cost		
Unsecured	**2,31,850.00**	2,01,500.00
Total (B)	**2,31,850.00**	2,01,500.00
(C)		
(I) Loans in India		
At amortised cost		
(i) Public sector	-	-
(ii) Others -Corporate Bodies	**2,31,850.00**	2,01,500.00
Total (C) (I)	**2,31,850.00**	2,01,500.00
(II)Loans outside India		
At amortised cost	-	-
Total (C) (II)	-	-
Total C(I) and C(II)	**2,31,850.00**	2,01,500.00
Following loans given on repayable on demand		
(a) Amount of loan or advance in the nature of loan outstanding		
Type of Borrower		
Promoters	-	-
Directors	-	-
Key Managerial Personnels	-	-
Related Parties	-	-
	-	-

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

Note 6 Investments					
Particulars	Face Value (₹)	As at 31.03.2022		As at 31.03.2021	
		Nos./Unit	Amount	Nos./Unit	Amount
(A) At fair value through profit or loss					
Investment in mutual funds					
Aditya Birla Sun Life Dividend Yield Plus - Dividend	10	**18,811**	**3.54**	18,811	2.86
Aditya Birla Sun Life Midcap Fund - Plan – Dividend	10	**33,473**	**14.06**	33,473	11.37
Aditya Birla Sun Life Short term Opportunity Fund-Growth	10	**16,672**	**6.38**	16,672	6.10
Aditya Birla Sun Life Medium Term Plan-Growth	10	**50,783**	**13.41**	50,783	12.25
Aditya Birla Sun Life Medium Term Plan-Growth	10	**58,746**	**15.52**	58,746	14.18
Aditya Birla Sun Life Low Duration Fund-Growth	10	**8,723**	**50.44**	9,443	48.70
Aditya Birla Sun Life Overnight Fund-Growth regular plan	1,000	**2,62,047**	**3,000.13**	-	-
(B) At fair value through other comprehensive income					
Investment in Equity instruments					
Quoted					
Aditya Birla Fashion & Retail Limited	**10**	**39,88,866**	**12,050.33**	21,88,866	4,405.09
Aditya Birla Capital Limited *	**10**	**3,36,01,721**	**36,172.25**	3,36,01,721	40,086.85
Birla Tyres Limited	**10**	**2,73,38,750**	**5,713.80**	2,73,38,750	6,233.24
Grasim Industries Limited	**2**	**2,47,14,527**	**4,11,249.73**	2,47,14,527	3,58,496.57
Hindalco Industries Limited	**1**	**2,98,57,969**	**1,70,041.13**	2,98,57,969	97,590.77
Vodafone Idea Limited (Formerly: Idea Cellular Limited)	**10**	**10,90,28,530**	**10,521.25**	10,90,28,530	10,085.14
Jayshree Tea & Industries Limited	**5**	**2,844**	**2.62**	2,844	1.88
Kesoram Industries Limited	**10**	**4,63,48,750**	**24,240.40**	2,73,38,750	19,205.47
Kesoram Textile Mills Limited	**2**	**24,15,750**	**48.32**	24,15,750	48.32
Mangalam Cement Limited	**10**	**11,20,000**	**4,341.12**	11,20,000	3,144.96
Tanfac Industries Limited	**10**	**-**	**-**	4,98,000	1,216.61
UltraTech Cement Limited	**10**	**34,89,647**	**2,30,396.96**	34,89,647	2,35,130.67
Titagarh Wagons Limited	**2**	**38,339**	**38.88**	38,339	17.08
KDDL Limited	**10**	**35,000**	**338.14**	35,000	91.89
Orient Cement Limited	**1**	**4,25,260**	**605.14**	4,25,260	415.90
Orient Paper & Industries Limited	**1**	**4,25,260**	**146.08**	4,25,260	104.61
Orient Electric Limited	**1**	**4,25,260**	**1,366.15**	4,25,260	1,324.47
Sutlej Textiles & Industries Limited	**1**	**17,14,630**	**1,227.68**	17,14,630	672.99
SIL Investment Limited	**10**	**1,14,309**	**379.39**	1,14,309	222.39
Zenith Birla Limited	**10**	**3,432**	**0.08**	3,432	0.02
Mangalore Refinery Petrochemicals Ltd.	**10**	**200**	**0.08**	200	0.08

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

Note 6	Investments				
Particulars	**Face Value (₹)**	**As at 31.03.2022**		As at 31.03.2021	
		Nos./Unit	**Amount**	Nos./Unit	Amount
Quoted (Partly Paid up)					
Aditya Birla Fashion & Retail Limited	**7.50**	**-**	**-**	18,00,000	3,040.20
Unquoted					
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**	1,501	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
(C) Investments -Others (At cost)					
Associates (#)		-			
- Century Textiles & Industries Limited	**10**	**3,69,78,570**	**1,23,117.58**	3,69,78,570	1,16,017.22
(D) Investments Carried at Amortized Cost					
Debt Instruments					
Investment in Tax Free Bonds					
Housing and Urban Development Corporation Ltd.	**1,000**	**500**	**5.00**	500	5.00
(E) Preference Share			**2,100.00**		-
10% Non Cumulative Non Participating Redeemable Non Convertible Preference Shares of Jayantika Investment & Finance Limited	**100**	**21,00,000**	**2,100.00**	-	-
(F) Preference Share Application Money (pending allotment)	-	-	-		2,100.00
(G) Total – Gross (A+B+C+D+E+F)			**10,37,569.33**		9,00,116.62
(i) Investments outside India			**13.45**		13.45
(ii) Investments in India			**10,37,555.88**		9,00,103.17
Total (H)			**10,37,569.33**		9,00,116.62
(I) Total (G) to tally with (H)			-		-
Less: Allowance for Impairment loss (H)			-		-
(J) Total– Net = (H)-(I)			**10,37,569.33**		9,00,116.62

(#)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 :

QUOTED (Fully paid)		
Equity Instruments		
Jiyajeerao Cotton Mills Limited (In liquidation)	10	**150**
Kalyan Sundram Cement Industries Limited (In liquidation)	10	**50,000**
Umi Special Steels Limited (In liquidation)	10	**1,00,000**
UNQUOTED (Fully paid)		
Equity Instruments		
In Subsidiary Companies		
Atlas Iron and Alloys Limited (under process of striking off)	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 November, 2022.

(₹ In Lakhs)

Note 7 Other Financial Assets		
Particulars	**As at 31.03.2022**	As at 31.03.2021
Dividend Receivable	**0.04**	0.04
Interest accrued but not due on loans and advances	**2.66**	-
Total	**2.70**	0.04

(₹ In Lakhs)

Note 8 Current Tax Assets (Net)		
Particulars	**As at 31.03.2022**	As at 31.03.2021
Advance payment of income tax (net of provision for Income Tax)	**551.24**	506.09
Total	**551.24**	506.09

(₹ In Lakhs)

Note 9 Investment property		
Particulars	**As at 31.03.2022**	As at 31.03.2021
Gross carrying amount		
Opening gross carrying amount	**717.91**	717.91
Additions	**-**	-
Disposals	**-**	-
Closing gross carrying amount	**717.91**	717.91
Accumulated depreciation		
Opening accumulated depreciation	**322.09**	294.28
Depreciation charged during the year	**22.89**	27.80
Deductions	**-**	-
Closing accumulated depreciation	**344.97**	322.08
Net carrying amount	**372.94**	395.83

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

(₹ In Lakhs)

9.1	The amounts recognized in Statement of Profit and Loss in relation to the investment properties :	
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Rental income derived from investment properties	**455.02**	207.01
Service charges derived from investment properties	**98.28**	66.01
Direct operating expenses (including repairs and maintenance) generating rental income	**147.85**	136.45
Depreciation	**22.89**	27.80
Profit arising from investment properties before indirect expenses	**382.56**	108.77

9.2 The fair value of the company's investment properties as at 1st April, 2017, 31st March, 2018 and 31st March, 2019 were ₹ 14,537.93 lakhs, ₹ 14,767.63 lakhs and ₹ 14,997.33 lakhs respectively. The fair value of the properties were arrived on the basis of valuation report obtained from a registered valuer. The management decided to consider the valuation certificate obtained for the FY 2018-19 for 2021-22 as well, keeping in mind that there would be no significant appreciation for the next 5 years.

(₹ In Lakhs)

Note 10 Property, Plant & Equipment	Furnitures & Fixtures	Office Equipments	Vehicles	TOTAL
Cost or valuation				
As at 1st April, 2021	61.12	3.17	7.33	71.62
Addition/ (Disposal)	-	-	-	-
As at 31st March, 2022	**61.12**	**3.17**	**7.33**	**71.62**
Depreciation				
As at 1st April, 2021	20.06	2.40	3.16	25.62
Charge for the year	10.63	0.31	1.30	12.24
As at 31st March, 2022	**30.69**	**2.71**	**4.46**	**37.86**
Net Block				
As at 31st March, 2021	41.06	0.77	4.17	46.00
As at 31st March, 2022	**30.43**	**0.46**	**2.87**	**33.76**

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

(₹ In Lakhs)

Note 11 Other Non Financial Assets		
Particulars	**As at 31.03.2022**	As at 31.03.2021
Security deposits	**17.46**	17.46
Advance to parties	**-**	-
Other advances	**23.95**	10.94
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
Total	**61.60**	48.59

(₹ In Lakhs)

Note 11 Payables		
Particulars	**As at 31.03.2022**	As at 31.03.2021
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	**6.00**	14.45
Total	**6.00**	14.45

(₹ In Lakhs)

Trade Payables ageing schedule					
Particulars	**Outstanding for following periods from due date of payment as on 31st March, 2022**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	-	-	-	-	-
(ii) Others	6.00	-	-	-	6.00
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	**6.00**	**-**	**-**	**-**	**6.00**

(₹ In Lakhs)

Particulars	**Outstanding for following periods from due date of payment as on 31st March, 2021**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) MSME	-	-	-	-	-
(ii) Others	14.45	-	-	-	14.45
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
Total	**14.45**	**-**	**-**	**-**	**14.45**

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

Note 13 Borrowings (Debt Securities)		
		(₹ In Lakhs)
Particulars	**As at 31.03.2022**	As at 31.03.2021
At amortised cost		
(a) Unsecured - commercial paper		
From other parties	**67,129.62**	41,503.34
Total (A)	**67,129.62**	41,503.34
At amortised cost		
Debt securities in India	**67,129.62**	41,503.34
Debt securities outside India	**-**	-
Total (B)	**67,129.62**	41,503.34
Total (B) to tally with (A)		

Note: (₹ In Lakhs)

Particulars	**As at 31.03.2022**	As at 31.03.2021
Details of terms of redemption/repayment and security provided in respect of debt securities:		
Commercial Paper	**67,129.62**	41,503.34

Note: Commercial Paper of ₹ 67,500 lakhs will be repayable by 22nd June, 2022.

Note 14 Borrowings (other than debt securities)		
		(₹ In Lakhs)
Particulars	**As at 31.03.2022**	As at 31.03.2021
At amortised cost		
(a) Unsecured - Term loan		
From other parties	**39,500.00**	39,500.00
Total (A)	**39,500.00**	39,500.00
At amortised cost		-
Borrowings in India	**39,500.00**	39,500.00
Borrowings outside India	**-**	-
Total (B)	**39,500.00**	39,500.00

Total (B) to tally with (A)

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

(₹ In Lakhs)

Term loan from financial entities	**As at 31.03.2022**	As at 31.03.2021	**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, 2019**
Term loan from financial entity 3	**15,000.00**	15,000.00	**50% repayable in one bullet payment at the end of 24 months from August 10, 2020 and balance 50% repayble at the end of 36 months from August 10, 2020**

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

(₹ In Lakhs)

Note 15	Other Financial Liabilities		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Unpaid dividends		**34.21**	38.63
Unclaimed bonus fraction shares		**0.65**	-
Others			
Liabilities for expenses		**0.32**	0.34
Amount due to employee		**2.29**	1.75
Other miscellaneous payable		**0.12**	0.06
Security deposit		**600.00**	600.26
Total		**637.59**	641.04

(₹ In Lakhs)

Note 16	Provisions		
Particulars		**As at 31.03.2022**	As at 31.03.2021
Provision for employee benefits (Gratuity)		**22.72**	18.46
Provision for employee benefits (Leave)		**9.60**	7.65
Others			
Contingent provision against standard assets		**927.40**	806.00
Total		**959.72**	832.11

(₹ In Lakhs)

Note 17	Deferred Tax Liabilities (Net)		
Particulars		**As at 31.03.2022**	As at 31.03.2021
The major components of the deferred tax liabilities / (assets) based on the tax effects of timing differences are as follows:			
Deferred tax assets			
MAT credit entitlement		**0.71**	1.07
Difference between WDV of block of assets as per Income Tax and WDV of Fixed Assets as per books		**3.64**	2.06
Disallowed items u/s 43 B		**8.14**	-
		12.49	3.13
Deferred tax liabilities (net)			
Investment measured at Fair Value through Profit or Loss		**0.07**	-
Equity investment measured at fair value through OCI		**52,513.57**	37,560.93
		52,513.64	37,560.93
Total		**52,501.15**	37,557.80

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

(₹ In Lakhs)

Note 18	Other non financial liabilities	
Particulars	**As at 31.03.2022**	As at 31.03.2021
Statutory dues payable	**100.52**	74.45
Total	**100.52**	74.45

Note 19 Equity share capital

(i) Share capital authorised, issued, subscribed and paid up

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	(₹ In Lakhs)	No. of Shares	(₹ In Lakhs)
Authorised:				
Equity Shares of ₹ 10 each	**2,50,00,000**	**2,500.00**	2,50,00,000	2,500.00
Issued, subscribed and fully paid up shares:				
Equity Shares of ₹ 10 each	**1,10,72,250**	**1,107.23**	1,10,72,250	1,107.23
i. Reconciliation of number of shares				
Opening number of equity Shares	**1,10,72,250**	**1,107.23**	79,08,750	790.88
Fresh issue/Bonus	-	-	31,63,500	316.35
Closing Number of equity shares	**1,10,72,250**	**1,107.23**	1,10,72,250	1,107.23

(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, 2022, the amount of per share dividend recognized as distributions to shareholders was Rs. 15/- (Rs. 25/-) per share.

The Board of Directors at its meeting held on 27th May, 2022, have proposed a final dividend of Rs.15/- per equity share for the financial year ended 31st March, 2022. The proposal is subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Total cash out flow would be Rs. 1660.84 Lakhs (Rs.1660.84 Lakhs) and the same will be accounted for in the financial year 2022-23 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 31.03.2022		As at 31.03.2021	
	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. Limited	**19,39,312**	**17.52**	13,85,223	17.52
Gwalior Webbing Co. Limited	**6,35,835**	**5.74**	**4,54,168**	**5.74**

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

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

(iv) Details of Shareholding of Promoters as on 31.03.2022

Shares held by promoters at the end of the year			% Change during the year
Promoter Name	**No. of Shares**	**% of total shares**	
Aditya Marketing and Manufacturing Private Limited	38,41,871	34.70	-
B. K. Birla Foundation	24,529	0.22	-
Birla Educational Institution	23,100	0.21	-
Central India General Agents Limited	420	0.00	-
Jayantika Investment & Finance Limited	9,380	0.08	-
Padmavati Investment Private Limited	19,69,780	17.79	-
Prakash Educational Society	4,98,129	4.50	-
Zenith Distributors & Agents Limited	4,771	0.04	-
Total	**63,71,980**	**57.54**	

Details of Shareholding of Promoters as on 31.03.2021

Shares held by promoters at the end of the year **			% Change during the year
Promoter Name	**No. of Shares**	**% of total shares**	
Aditya Marketing and Manufacturing Private Limited	38,41,871	34.70	-
B. K. Birla Foundation	24,529	0.22	-
Birla Educational Institution	23,100	0.21	-
Central India General Agents Limited	420	0.00	-
Jayantika Investment & Finance Limited	9,380	0.08	-
Padmavati Investment Private Limited	19,69,780	17.79	-
Prakash Educational Society	4,98,129	4.50	-
Zenith Distributors & Agents Limited	4,771	0.04	-
Total	**63,71,980**	**57.54**	

** Opening shares as on 01-04-2020 was 45,51,416 . However, there was no % change during the year as bonus shares were issued in equal right to all the Equity Shareholders of the Company.

(₹ In Lakhs)

Note 20 Other equity		
	As at 31.03.2022	As at 31.03.2021
Other reserves		
(i) Statutory reserve		
Balance as at the beginning of the year	**50,729.03**	45,458.42
Addition during the year	**3,502.51**	5,270.61
	54,231.54	50,729.03
Others		
(ii) General reserve		
Balance as at the beginning of the year	**19,713.61**	19,713.61
Addition during the year	-	-
	19,713.61	19,713.61

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

Note 20 Other equity	As at 31.03.2022	As at 31.03.2021
(iii) Reserves representing unrealised gains/losses		
Equity instruments through other comprehensive income	**6,89,886.12**	2,41,367.22
Add / (less) during the year	**1,05,211.99**	4,65,074.87
Less: Realised gain/(loss) on equity shares at FVTOCI transferred to retained earnings	**(2,913.30)**	(16,555.97)
	7,92,184.81	6,89,886.12
Share in equity instruments through other comprehensive income of an associate		
Balance as at the beginning of the year	**3,269.27**	403.57
Add/(less) during the year	**1,922.17**	2,865.70
	5,191.44	3,269.27
Share in cash flow reserve through other comprehensive income of associates		
Balance as at the beginning of the year	**(13.90)**	(13.24)
Add/(less) during the Year	**13.90**	(0.66)
	-	(13.90)
Capital reserve		
Balance as at the beginning of the year	**35,897.00**	35,897.00
Add/(less) during the Year	**-**	-
	35,897.00	35,897.00
Retained earnings		
Surplus at the beginning of the year	**1,84,313.62**	1,67,477.11
Add : Profit for the year	**20,142.42**	9,665.87
Add/(less): Remeasurement of net defined benefit through OCI net of tax	**21.67**	67.54
Add: Realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive income	**2,913.30**	16,555.97
Less: Current tax on realised gain/(loss) on equity shares at FVTOCI transferred from equity instruments through other comprehensive Income	**(326.54)**	(1,888.72)
Transfer on account of Issue of Bonus Share	**-**	(316.35)
Less: Dividend on equity shares	**(1,660.84)**	(1,977.19)
Less: Transfer to statutory reserve	**(3,502.51)**	(5,270.61)
	2,01,901.12	1,84,313.62
Total	**11,09,119.52**	9,83,794.75

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.

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

(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.

(₹ In Lakhs)

Note 21 Interest Income		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest on loans	**20,653.08**	17,715.66
Interest income from investments	**0.41**	0.41
Interest on deposits with banks	**8.14**	9.16
Other interest Income	**-**	0.03
Total	**20,661.63**	17,725.26

(₹ In Lakhs)

Note 22 Dividend income		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
On investments - equity share investments	**4,530.48**	1,853.91
On investments - Mutual Fund	**0.96**	0.73
Total	**4,531.44**	1,854.64

(₹ In Lakhs)

Note 23 Net gain/(loss) on fair value changes		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
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	**8.30**	16.33
(ii) Others	**-**	-
Total Net gain/(loss) on fair value changes	**8.30**	16.33
Fair value changes:		
Realised	**7.19**	8.45
Unrealised	**1.11**	7.88
Total	**8.30**	16.33

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

Note 24 Others		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Rent income	**455.02**	207.01
Service charges	**98.28**	66.01
Total	**553.30**	273.02

(₹ In Lakhs)

Note 25 Other income		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Miscellaneous receipts & income	**24.72**	88.93
Total	**24.72**	88.93

(₹ In Lakhs)

Note 26 Finance cost		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	**3,518.25**	3,224.11
Interest on debt securities	**2,375.35**	1,986.43
Total	**5,893.60**	5,210.54

(₹ In Lakhs)

Note 27 Employee benefit expense		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Salaries and wages	**126.87**	116.59
Contribution to provident and other funds		
Provident fund and pension fund	**11.64**	10.95
Gratuity	**5.31**	4.39
Staff welfare expenses	**7.70**	7.12
Total	**151.52**	139.05

(₹ In Lakhs)

Note 28 Depreciation and amortization expense		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Depreciation and amortization expense		
On property, plant and equipment	**12.24**	17.02
On investment property	**22.90**	27.81
Total	**35.14**	44.83

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

(₹ In Lakhs)

Note 29 Other expenses		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Rent, taxes and energy costs	**52.29**	77.92
Repairs and maintenance	**95.52**	88.15
Director's fees, allowances and expenses	**16.40**	13.60
Insurance	**0.22**	0.22
Payments to the auditors		
As auditor	**5.10**	5.10
For quarterly review	**2.61**	2.17
For fees for other services (inclusive for issuing various certificates)	**2.30**	1.44
For Reimbursement of out of pocket expenses	**-**	-
Corporate social responsibility expenses	**101.28**	25.05
Provision against Standard Assets of NBFCs (as per RBI Regulation)	**121.40**	241.46
Miscellaneous expenses	**160.86**	139.20
Total	**557.99**	594.31

The components of income tax expense for the years ended 31st March, 2022 and 31st March, 2021 are:

(₹ In Lakhs)

Note 30 Tax expenses		
Particulars	**For the year ended 31st March, 2022**	For the year ended 31st March, 2021
Current tax	**4,521.18**	3,297.08
Deferred tax	**(9.23)**	(1.26)
Total tax charge	**4,511.95**	3,295.82
Current tax	**4,521.18**	3,297.08
Deferred tax	**(9.23)**	(1.26)

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 31st March, 2022 and 31st March, 2021 is as follows:

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

(₹ In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Accounting profit before tax	**19,141.14**	13,969.45
Applicable tax rate	**25.17%**	25.17%
Tax on Accounting Profit	**4,817.92**	3,516.16
Tax effect of:		
Exempted income	**(0.11)**	(0.11)
Tax on expense not tax deductible	**28.96**	8.05
Adjustment on account of change on tax rate	**-**	-0.76
Tax effect on various other items	**(325.59)**	(226.26)
Tax expenses recognised in the statement of profit and loss	**4,521.18**	3,297.08
Effective tax rate (%)	**23.62**	23.60

Note 30.2 Deferred tax (₹ In Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	**(37,557.80)**	(8,751.19)
Credit / (charge) for equity instruments through OCI	**(14,952.21)**	(28,807.51)
Credit / (charge) for MAT credit entitlement	**(0.37)**	(0.38)
Credit / (charge) for remeasurement of the defined benefit	**-**	-
Credit / (charge) to the statement of profit and loss	**9.23**	1.28
At the end of year DTA / (DTL) (net)	**(52,501.15)**	(37,557.80)

(₹ In Lakhs)

Note 31 Other Comprehensive Income

Particulars	As at 31.03.2022	As at 31.03.2021
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**1.05**	108.26
Equity Instruments through other comprehensive income:	**1,20,163.93**	4,93,882.38
Share of other comprehensive income in associates and joint ventures, to the extent not to be classified into profit or loss	**1,954.28**	2,865.70
Total	**1,22,119.26**	4,96,856.34
Items that will be reclassified to profit or loss		
Share of other comprehensive income in associates and joint ventures, to the extent to be classified into profit or loss	**20.86**	(0.99)
Total	**20.86**	**(0.99)**

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

(₹ In Lakhs)

Note 32	Earnings per share		
Particulars		**For the Year ended 31st March, 2022**	For the Year ended 31st March, 2021
(A) Basic earnings per share			
Computation of profit			
Net profit for the year attributable to equity shareholders (basic)		**20,142.42**	9,665.87
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		**1,10,72,250**	1,10,72,250
Basic earnings per share of face value of ₹ 10 each (in ₹)		**181.92**	87.30
(B) Diluted earnings per share			
Profit attributable to Equity Shareholders (Diluted)		**20,142.42**	9,665.87
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
Diluted earnings per share of face value of ₹ 10 each (in ₹)		**181.92**	87.30

(₹ In Lakhs)

Note 33	Contingent liabilities and commitments (to the extent not provided for)		
Particulars		**As at 31st March, 2022**	As at 31st March, 2021
(A) Contingent liabilities			
Income tax		**403.42**	354.59
(i) Assessing officer has demanded income tax of ₹ 403.42 lakhs (Net of refund of ₹ 208.28 lakhs) against the certain disallowances etc. (P.Y. ₹ 354.59 Lakhs) for the A.Y. 2009-2010, 2010-2011, 2011-2012, 2013-2014, 2014-2015 and 2017-2018. The Company has filed an appeal before the DCIT, Appellate Tribunal, Kolkata. Matter is still under sub-judice.			
Others			
(ii) A demand of ₹ 437.77 Lakhs was raised by New Delhi Municipal Council towards property tax with retrospective effect from Financial Year 2000-2001 to 2016-2017 in a Subsidiary. The Subsidiary Company has not recognized it as a liability in the account for Financial Year 2016-2017, 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.)

Note 33 Contingent liabilities and commitments (to the extent not provided for)		
Particulars	**As at 31st March, 2022**	As at 31st March, 2021
(B) Commitments		
(i) Uncalled liability on partly paid shares held as investments	-	495.03
(C) Company's share in outstanding capital and other commitment & contingent liabilities of associates :		
I) Outstanding capital and other commitment	**8,872.82**	11,239.85
II) Contingent liabilities- continuing operation		
a. i) Claims against the company not acknowledged as debts		
Rates, taxes & duties demanded by various authorities	**904.90**	553.93
Others	**200.32**	203.96
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**	823.11
b. For income tax matters	**3,822.22**	1,993.22
c. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefit received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/enterpratation have not been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assesssment, the entity belives the impact of the change will not be significant.	Amount not determinable	

Note 34 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.

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

The amounts spent are as follows: (₹ In Lakhs)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
(a) amount required to be spent by the company during the year	**101.25**	25.03
(b) amount of exenditure incurred	**101.28**	25.05
(c) shortfall at the end of the year	**Nil**	Nil
(d) total of previous year shortfall	**Nil**	Nil
(e) reason for shortfall	**NA**	NA
(f) nature of CSR activities		
(i) construction/acquisation of any assets	**-**	-
(ii) on purpose other than (i) above	**101.28**	25.05
(g) details of related party transactions	**NA**	NA
(h) provision made with respect to a liability incurred by entering into contractual obligations	**NA**	NA

Note 35 Lease Disclosures

(a) As lessee

During the period ended March 31, 2022 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 31st March, 2022 (Previous Year: ₹ 25.89 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 ₹ 455.02 Lakhs and ₹ 207.01 Lakhs for the year ended 31st March, 2022 and 2021 respectively in the statement of profit and loss.

Note 36 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 and Financing" 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 37 Related Party Disclosures

(a) Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

List of related parties and relationships:

Sl. No.	Nature of relationship	
1	Non-Executive Directors	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

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

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**	**Non-Executive Directors**	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Sitting fees	**16.40**	13.60

(₹ In Lakhs)

Sr. No.	**Nature of Transactions**	**Key Managerial Personnel**	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Remuneration (including bonus & retirement benefits)	**135.38**	128.51

(₹ In Lakhs)

Sr. No.	**Nature of Transactions**	**Other Related Parties**	
		For the year ended 31st March, 2022	For the year ended 31st March, 2021
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, 2022**	Maximum Balance outstanding during the year ended 31st March, 2022
		-	-

(₹ In Lakhs)

Sr. No.	**Name**	**As at 31st March, 2021**	Maximum Balance outstanding during the year ended 31st March, 2021
		-	-

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

Note 38

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, 2022	As at 31st March, 2021
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 39

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)	UltraTech Cement Ltd.	**657**	10/-
(h)	Kesoram Textile Mills Ltd.	**600**	2/-

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

Note 40 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, 2022			As at 31 March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	**465.32**	**-**	**465.32**	128.12	-	128.12
Bank balance other than above	**124.86**	**-**	**124.86**	2,238.63	-	2,238.63
Trade receivable	**29.60**	**-**	**29.60**	45.25	-	45.25
Loans	**2,31,850.00**	**-**	**2,31,850.00**	2,01,500.00	-	2,01,500.00
Investments	**3,103.49**	**10,34,465.84**	**10,37,569.33**	95.96	9,00,020.66	9,00,116.62
Other financial assets	**2.70**	**-**	**2.70**	0.04	-	0.04
Non-financial assets						
Current tax assets (net)	**551.24**	**-**	**551.24**	506.09	-	506.09
Investment property	**-**	**372.94**	**372.94**	-	395.83	395.83
Property, plant and equipment	**-**	**33.76**	**33.76**	-	46.00	46.00
Other non-financial assets	**44.06**	**17.54**	**61.60**	31.05	17.54	48.59
Total Assets	**2,36,171.27**	**10,34,890.08**	**12,71,061.35**	2,04,545.14	9,00,480.03	11,05,025.17

Particulars	As at 31 March, 2022			As at 31 March, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial liabilities						
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	**6.00**	**-**	**6.00**	14.45	-	14.45
Debt securities	**67,129.62**	**-**	**67,129.62**	41,503.34	-	41,503.34
Borrowings (other than debt securities)	**22,000.00**	**17,500.00**	**39,500.00**	-	39,500.00	39,500.00
Other financial liabilities	**37.59**	**600.00**	**637.59**	40.78	600.26	641.04
Non-financial liabilities						
Provisions	**14.89**	**944.83**	**959.72**	11.92	820.19	832.11
Deferred tax liabilities (net)	**-**	**52,501.15**	**52,501.15**	-	37,557.80	37,557.80
Other non-financial Liabilities	**100.52**	**-**	**100.52**	74.45	-	74.45
Total liabilities	**89,288.62**	**71,545.98**	**1,60,834.60**	41,644.94	78,478.25	1,20,123.19
Net	**1,46,882.65**	**9,63,344.10**	**11,10,226.75**	1,62,900.20	8,22,001.78	9,84,901.98

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

Note 41	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 ₹ 10.69 lakhs (31 March 2021: ₹ 10.19 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.

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.igation 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, 2022	As at 31st March, 2021
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	**18.46**	6.13
Current service cost	**4.13**	4.00
Past service cost	**-**	-

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest cost	**1.18**	0.39
Acquisition adjustment	**-**	-
Benefit paid	**-**	-
Change in demographic assumptions	**-**	-
Change in financial assumptions	**(0.32)**	-
Experience variance (i.e. Actual experience vs assumptions)	**(0.73)**	7.94
Present value of defined benefit obligations at the end of the year	**22.72**	18.46
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
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	**-**	-
Assets acquired in an amalgamation in the nature of purchase - -	**-**	-
Exchange differences on foreign plans	**-**	-
Benefits paid	**-**	-
Fair value of plan assets at the end of the year	**-**	-
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	**22.72**	18.46
Fair value of plan assets at the end of the year	**-**	-
Unrecognised past service cost	**-**	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(22.72)**	(18.46)
iv. Composition of plan assets		
Total	**-**	-
v. Expense recognised during the Year		
Current service cost	**4.13**	4.00
Past service cost	**-**	-
Interest cost	**1.18**	0.39
Expenses recognised in the statement of profit and loss	**5.31**	4.39

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Change in demographic assumptions	**-**	-
Due to change in financial assumptions	**(0.32)**	-
Due to experience adjustments	**(0.73)**	7.94
Return on plan assets excluding amounts included in interest income	**-**	-
Components of defined benefit costs recognised in other comprehensive income	**(1.05)**	7.94
vii. Principal actuarial assumptions		
Discount rate (per annum)	**6.80%**	6.40%
Rate of return on plan assets (p.a.)	**-**	-
Annual increase in salary cost	**5.00%**	5.00%
Mortality Rate (% of IALM 2012-14) (31.03.2021: % of IALM 2012-14)	**100%**	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, 2022	As at 31st March, 2021
Defined benefit obligation (Base)	**22.72**	18.46

	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	**23.55**	**22.00**	19.22	17.82
(% change compared to base due to sensitivity	**3.66%**	**-3.14%**	4.12%	-3.50%
Salary growth rate (- / + 1%)	**21.97**	**23.58**	17.79	19.24
(% change compared to base due to sensitivity)	**-3.29%**	**3.79%**	-3.66%	4.24%
Attrition Rate (-/+50%)	**22.61**	**22.81**	18.40	18.52
(% change compared to base due to sensitivity)	**-0.45%**	**0.40%**	-0.35%	0.30%
Mortality Rate (-/+10%)	**22.70**	**22.73**	18.45	18.47
(% change compared to base due to sensitivity)	**-0.08%**	**0.08%**	-0.07%	0.07%

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.

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

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.

(₹ In Lakhs)

	Cash Flow
Expected Cash Flows over the next (valued on the discounted basis):	
1 Year	**14.62**
2 to 5 Years	**3.68**
6 to 10 Years	**1.06**
More than 10 Years	**12.99**

Note 42

Contribution to political parties during the year 2021-22 is ₹ Nil (previous year ₹ Nil).

Note 43

There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022.

Note 44 Events after the reporting period:

There has been no events after the reporting date that require disclosure in financial statements.

Note 45

Disclosure pursuant to Ind-AS 7 "Statement of Cash Flows" - Changes in liabilities arising from financing activities:

(₹ In Lakhs)

Particulars	1st April, 2021	Cash flows	Changes in fair values	Others	31st March, 2022
Debt securities	41,503.34	25,626.28	-	-	67,129.62
Borrowings (other than debt securities)	39,500.00	-	-	-	39,500.00
Subordinated debt	-	-	-	-	-

(₹ 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 Consolidated Financial Statements (Contd.)

Note 46 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 31st March, 2022	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	
Financial assets measured at amortised cost								
Investments	5.00	-	-	-	-	-	-	-
Financial assets measured at fair value								
Investments	-	3,103.49	9,09,243.26	-	9,11,983.01		363.74	9,12,346.75
Financial assets not measured at fair value								
Cash and cash equivalents	465.32	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	124.86	-	-	-	-	-	-	-
Trade Receivables	29.60	-	-	-	-	-	-	-
Loans	2,31,850.00	-	-	-	-	-	-	-
Investments in Associates	-	-	-	1,23,117.58	-	-	-	-
Investment in Preference Share	-	-	-	2,100.00	-	-	-	-
Dividend Receivable	0.04	-	-	-	-	-	-	-
Interest Accrued but not due on Loans and Advances	2.66	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	6.00	-	-	-	-	-	-	-
Debt securities	67,129.62	-	-	-	-	-	-	-
Borrowings (other than debt securities)	39,500.00	-	-	-	-	-	-	-
Other financial liabilities	637.59	-	-	-	-	-	-	-

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

(₹ In Lakhs)

As at 31st 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	
Financial assets measured at amortised cost								
Investments	5.00	-	-	-	-	-	-	-
Financial assets measured at fair value								
Investments	-	95.46	7,81,898.94	-	7,81,630.66	-	363.74	7,81,994.40
Financial assets not measured at fair value								
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	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value		-	-	-				
Trade payables	14.45	-	-	-	-	-	-	-
Debt securities	41,503.34	-	-	-	-	-	-	-
Borrowings (other than debt securities)	39,500.00	-	-	-	-	-	-	-
Other financial liabilities	641.04	-	-	-	-	-	-	-

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, 2022	As at 31st March, 2021
i) Investment		
Balance at the beginning of the year	**363.74**	363.74
Gain included in OCI	-	-
Net change in fair value (unrealised)	-	-
Addition during the year	-	-
Impairment in value of investments	-	-
Amount derecognised / repaid during the year	-	-
Amount written off	-	-
Balance at the end of the year	**363.74**	363.74

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.

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

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.

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, 2022	As at 31st March, 2021
CRAR	**52.85**	60.07
CRAR – Tier I capital (%)	**52.85**	60.07
CRAR – Tier II capital (%)	-	-
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 47 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.

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

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.

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, 2022	As at 31st March, 2021
Trade Receivables	**29.60**	45.25
Loans	**2,31,850.00**	2,01,500.00

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.

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

(₹ In Lakhs)

	Upto 12 months	More than 12 months	Total
As at 31st March, 2022			
Debt securities	41,503.34	-	41,503.34
Borrowings	22,000.00	17,500.00	39,500.00
Trade payable	6.00	-	6.00
Other Financial Liabilities	37.59	600.00	637.59
As at 31st March, 2021			
Debt securities	41,503.34	-	41,503.34
Borrowings	-	39,500.00	39,500.00
Trade payable	14.45	-	14.45
Other Financial Liabilities	40.78	600.26	641.04

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.

4) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the Company to Cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

Note 48 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 31st March, 2022	For the year ended 31st March, 2021
Type of income		
Interest on Inter-Corporate Deposit	**20,653.08**	17,715.56
Rental Income	**455.02**	207.01
Service Charges	**98.28**	66.01
Total revenue from contracts with customers	**21,206.38**	17,988.68
Geographical markets		
India	**21,206.38**	17,988.68
Outside India	**-**	-
Total revenue from contracts with customers	**21,206.38**	17,988.68
Timing of revenue recognition		
Services transferred at a point in time	**-**	-
Services transferred over time	**21,206.38**	17,988.68
Total revenue from contracts with customers	**21,206.38**	17,988.68

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

Note 49

The list of subsidiaries and associate included in the consolidated financial statement are as under:

Name of the Subsidiary/Associate	As on 31.03.2022		As on 31.03.2021	
	Proportion of Ownership Interest (%)	Proportion of Voting Power held (%)	Proportion of Ownership Interest (%)	Proportion of Voting Power held (%)
Subsidiaries				
PIC Realcon Limited	**100.00**	**100.00**	100.00	100.00
PIC Properties Limited	**100.00**	**100.00**	100.00	100.00
Associate				
Century Textiles and Industries Limited	**33.11**	**33.11**	33.11	33.11

Note 50

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 2022.

(₹ In Lakhs)

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 Investment and Industries Corporation Limited	88.53	9,82,924.04	72.26	14,555.20	96.88	1,03,828.04	93.00	1,18,383.24
Subsidiaries: Indian PIC Properties Limited	(0.02)	(204.77)	0.05	9.50	-	-	0.01	9.50
Subsidiaries: Indian PIC Realcon Limited	0.40	4,389.90	0.32	64.49	1.29	1,384.74	1.14	1,449.23
Non-controlling Interests in all subsidiaries	-	-	-	-	-	-	-	-
Associates (Investment as per the equity method): Indian Century Textiles & Industries Limited	11.09	1,23,117.58	27.37	5,513.23	1.83	1,956.92	5.87	7,470.15
Total	**100.00**	**11,10,226.75**	**100.00**	**20,142.42**	**100.00**	**1,07,169.70**	**100.00**	**1,27,312.12**

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

Note 51

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 52

Previous year figures have been regrouped/reclassified wherever necessary.

Note 53

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 27th May, 2022.

As per our Report of even date

For **Kothari & Company**
Chartered Accountants
Firm Registration No.: 301178E

Manaswy Kothari
Partner
Membership No. 064601
Place: Kolkata
Dated: 27th May, 2022

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

Rajashree Birla
Chairperson
(DIN: 00022995)
Place: Mumbai

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

R. P. Pansari
Chief Executive Officer
Place: Kolkata

J. K. Singhania
Chief Financial Officer
Place: Kolkata
Dated: 27th May, 2022

R. S. Kashyap
Company Secretary
Place: Kolkata

Notes

Pilani Investment and Industries Corporation Limited
CIN: L24131WB1948PLC095302
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