



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN ACRYLICS LIMITED

CHANDIGARH ROAD
LUDHIANA-141010, PUNJAB
T: +91-161-2228943-48
F: +91-0161-2601048, 2220766
E: secretarial.lud@vardhman.com

Ref.VAL: SCY: SEP: 2022-23

Dated: 08-Sep-2022

The National Stock Exchange of India Limited,
“Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
MUMBAI-400 051
Scrip Code: VARDHACRLC

Dear Sir,

SUBJECT: ANNUAL REPORT (F.Y. 2021-22) OF THE COMPANY, NOTICE CONVENING 32nd ANNUAL GENERAL MEETING, BOOK CLOSURE DATES & E-VOTING INFORMATION

Pursuant to applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 32nd Annual General Meeting (‘AGM’) of the Members of the Company will be held on Friday, 30th September, 2022 at 03:00 p.m. through Video Conferencing (“VC”)/Other Audio Visual Means (‘OAVM’), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs (‘MCA’) and Securities and Exchange Board of India (‘SEBI’).

The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday, 20th September, 2022 to Friday, 30th September, 2022** (both days inclusive) for the purpose of AGM.

Further, the Company has fixed **Friday, 23rd September, 2022** as the cut-off date to ascertain the eligibility of Members entitled to cast their vote electronically on all the resolutions to be passed at the AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-Voting facility. The remote e-Voting schedule is as under:

Commencement of remote e-Voting	27 th September, 2022 (09:00 a.m. onwards)
End of remote e-Voting	29 th September, 2022 (upto 05:00 p.m.)

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report (F.Y. 2021-22) alongwith the Notice convening the 32nd AGM of the Company. The said documents are also available on the website of the Company at www.vardhman.com.

YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS



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

Thanking you,

Yours faithfully,
For VARDHMAN ACRYLICS LIMITED

SATIN KATYAL
(COMPANY SECRETARY)

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PAN NO.: AAACV7602E CIN: L51491PB1990PLC019212
WWW.VARDHMAN.COM



Vardhman

32nd

ANNUAL REPORT

2021-22

Vardhman
Acrylics Limited



Vardhman Acrylics Limited

BOARD OF DIRECTORS

Mr. Shri Paul Oswal	Chairman
Mr. Bal Krishan Choudhary	Managing Director
Mr. Sachit Jain	Director
Mrs. Suchita Jain	Director
Mr. Munish Chandra Gupta	Independent Director
Mr. Sanjit Paul Singh	Independent Director
Mr. Surinder Kumar Bansal	Independent Director
Mrs. Apinder Sodhi	Independent Director
Mr. Anil Kumar	Additional Director
Mr. Bhooshan Lal Uppal	Additional Director
Ms. Parakh Oswal	Additional Director

CHIEF FINANCIAL OFFICER

Mr. Vivek Gupta

COMPANY SECRETARY

Mr. Satin Katyal

AUDITORS

M/s. SCV & Co., LLP
Chartered Accountants

BANKERS

ICICI Bank Limited
Kotak Mahindra Bank Limited
HDFC Bank Limited

REGISTRAR AND TRANSFER AGENT

M/s. MCS Share Transfer Agent Limited
Mumbai

REGISTERED & CORPORATE OFFICE

Vardhman Premises, Chandigarh Road,
Ludhiana-141 010
Phones: (0161) 2228943-48
Fax: (0161) 2601048
E-mail: secretarial.lud@vardhman.com
Website: www.vardhman.com
CIN: L51491PB1990PLC019212

BUSINESS OFFICE

1st Floor, Palm Court,
Opposite Management Development Institute,
MG Road, Sector 16,
Gurugram-122 001

WORKS

755, GIDC, Jhagadia Mega Estate,
Jhagadia-393 110
Distt. Bharuch (Gujarat)

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NOTICE

NOTICE is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING** of Vardhman Acrylics Limited will be held on Friday, the 30th day of September, 2022 at 03:00 p.m. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), to transact the following business:-

ORDINARY BUSINESS:

Item No. 1 – To adopt Financial Statements:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with Report of Board of Directors and Auditors thereon.

Item No. 2 – To re-appoint Mr. Shri Paul Oswal as a director liable to retire by rotation:

To appoint a Director in place of Mr. Shri Paul Oswal (DIN: 00121737), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Item No. 3 – Re-appointment of M/s SCV & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s SCV & Co. LLP, Chartered Accountants (Firm Registration No. 000235N/N500089), be and is hereby re-appointed as the Statutory Auditors of the Company for a second term of five (5) consecutive years starting from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company, at such remuneration and reimbursement of out-of-pocket expenses & applicable taxes, as may be finalized from time to time by the Chairman of the Company.”

SPECIAL BUSINESS:

Item No. 4 - To appoint Mr. Bhooshan Lal Uppal as an Independent Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Bhooshan Lal Uppal (DIN: 09626239), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of consecutive three (3) years starting from 19th July, 2022.”

Item No. 5 - To appoint Mr. Anil Kumar as an Independent Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anil Kumar (DIN: 00009928), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of consecutive three (3) years starting from 19th July, 2022.”

Item No. 6 - To appoint Ms. Parakh Oswal as an Independent Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013, the rules made thereunder and Regulations 16, 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Parakh Oswal (DIN: 08312705), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of consecutive five (5) years starting from 19th July, 2022.”

Item No. 7- To approve continuation of directorship of Mr. Shri Paul Oswal as a Non-Executive Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members of the Company be and is hereby given for continuation of the directorship of Mr. Shri Paul Oswal (DIN: 00121737), as a non-executive director of the Company.”

Item No. 8 - To enter into Related Party Transactions:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent

of the Members be and is hereby accorded for entering into contracts i.e. material transactions with related party as mentioned in the Statement annexed to the notice of 32nd Annual General Meeting.

RESOLVED FURTHER THAT pursuant to the provisions of Section 189 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with Rule 16 of the Companies (Meeting of Board and its Powers) Rules, 2014, Company Secretary be and is hereby authorized to do the necessary entries in the Register of contracts or arrangements in which Directors are interested and authenticate them.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

Item No. 9 – To ratify remuneration payable to Cost Auditors for the Financial Year ending 31st March, 2023:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. R.A. Mehta, Cost Auditor, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2023, be paid the remuneration of ₹ 50,000 plus applicable taxes.

RESOLVED FURTHER THAT Mr. Shri Paul Oswal, Chairman and Mr. Satin Katyal, Company Secretary, be and are hereby severally authorized to do all the acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

BY ORDER OF THE BOARD

Place: Ludhiana
Date: 19th July, 2022

Sd/-
(Satin Katyal)
Company Secretary

NOTES:

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 5, 2022, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the agency to provide e-Voting facility.
 3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice (Refer Point 12). The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditor etc.
 4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed hereto.
 5. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
 6. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 regarding the Director seeking appointment/ re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
 7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 20th September, 2022 to 30th September, 2022 (both days inclusive).
 8. The relevant statutory registers/documents will be available electronically for inspection by the Members during the AGM. Further, the documents referred to in the Notice, if any, will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email at secretarial.lud@vardhman.com.
- DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**
9. In compliance with the MCA Circulars and SEBI Circular dated May 13, 2022 read with circular dated January 15, 2021 and May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.vardhman.com, website of the Stock Exchange, i.e. National Stock Exchange of India Limited at www.nseindia.com and on website of Central Depository Services (India) Limited (e-Voting agency) at www.evotingindia.com.

10. For receiving all communications (including Annual Report) from the Company electronically:

- a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at secretarial.lud@vardhman.com or to RTA at mparase@mcsregistrars.com
- b) Members holding shares in dematerialised mode are requested to register / update their email address with the relevant Depository Participant.

11. INTRUCTIONS FOR REMOTE E-VOTING AND JOINING VIRTUAL MEETING ARE AS UNDER:

- (i) The Remote e-Voting period commences on 27th September, 2022 (9:00 a.m.) and ends on 29th September, 2022 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2022, may cast their vote electronically. The Remote e-Voting module

shall be disabled by CDSL for voting after end of voting period on 29th September, 2022.

Further, the facility for voting through electronic voting system will also be made available at the Meeting and Members attending the Meeting will be able to vote at the Meeting.

- (ii) Members who have already voted through Remote e-Voting would not be entitled to vote during the AGM.
- (iii) As per SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, on e-Voting Facility provided by Listed Entities, "individual shareholders holding shares of the Company in demat mode" can cast their vote by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants. Members are advised to update their mobile no. and email id in their demat account in order to access e-Voting facility. The procedure to login and access remote e-Voting and joining Virtual Meeting, as devised by the Depositories / Depository Participant(s), is given below:

Option 1 – Login through Depositories

NSDL	CDSL
<p>1. Members who have already registered for IDeAS facility to follow below steps:</p> <ol style="list-style-type: none"> (i) Go to URL: https://eservices.nsdl.com (ii) Click on the "Beneficial Owner" icon under 'IDeAS' section. (iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on "Access to e-Voting". (iv) Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> (i) To register click on link: https://eservices.nsdl.com. Select option "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. (ii) Proceed with completing the required fields 	<p>1. Members who have already registered for Easi / Easiest to follow below steps:</p> <ol style="list-style-type: none"> (i) Go to URL: https://web.cdslindia.com/myeasi/home/login; or (ii) URL: www.cdslindia.com and then go to Login and select New System Myeasi. (iii) Login with user id and password. (iv) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication. (v) Click on Company name or e-Voting service provider name to cast your vote during the remote e-Voting period. <p>2. User not registered for Easi/Easiest:</p> <ol style="list-style-type: none"> (i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration (ii) Proceed with completing the required fields.

NSDL	CDSL
<p>3. Users can directly access e-Voting module of NSDL and follow the below process:</p> <p>(i) Go to URL: https://www.evoting.nsdl.com/</p> <p>(ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>(iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>(iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>(v) Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p>3. Users can directly access e-Voting module of CDSL and follow the below process:</p> <p>(i) Go to URL: www.cdslindia.com</p> <p>(ii) Click on the icon “E-Voting”</p> <p>(iii) Provide demat Account Number and PAN No.</p> <p>(iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>(v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</p> <p>(vi) Click on the company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

Option 2 - Login through Depository Participants.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 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

(iv) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- (i) The Members should log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” module.

- (iii) Now enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-Voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details	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.
OR	<ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).
Date of Birth (DOB)	

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (x) Click on the EVSN:220906008 for **<Vardhman Acrylics Limited>** on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Additional facility for Non-Individual Shareholders and Custodians – Remote e-Voting only:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; secretarial.lud@vardhman.com, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

12. INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- a. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-Voting at point no. 11.
- b. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- c. Members are encouraged to join the Meeting through Laptops / iPads for better experience.
- d. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- e. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- f. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial.lud@vardhman.com. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of AGM.
- g. Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
- h. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to those shareholders attending the meeting.

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

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

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh

Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

14. M/s. Khanna Ashwani & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The Scrutinizer shall upon the conclusion of e-Voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
15. The Results of the resolutions passed at the AGM of the Company will be declared within 2 working days of the conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website www.vardhman.com and on the website of CDSL and will be communicated to the Stock Exchange.

By Order of the Board

Place: Ludhiana
Dated: 19th July, 2022

Sd/-
Satin Katyal
Company Secretary

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

(For Items No. 3 to 9)

ITEM NO. 3:

M/s. SCV & Co. LLP, (formerly S.C. Vasudeva & Co.), Chartered Accountants (Firm Registration No. 000235N/N500089) were appointed as the Statutory Auditors of the Company by the Members for a term of five consecutive years starting from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company. Their tenure of five years is going to complete at the conclusion of the forthcoming Annual General Meeting. Upon the recommendation of Audit Committee, the Board of Directors in its meeting held on 16th May, 2022 had re-appointed M/s. SCV & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years, subject to approval by the Members of the Company, at such remuneration as may be finalized from time to time by the Chairman of the Company.

M/s SCV & Co. LLP, Chartered Accountants is a Limited Liability Partnership having its offices at New Delhi, Noida and Ludhiana. It has a strong team of over 250 members and has an extensive experience of working with clients across various industries in India. The primary services offered by M/s SCV & Co. LLP are Assurance, Risk Advisory, Tax Advisory, Information Technology, Corporate Advisory and Outsourcing.

The Board recommends the Ordinary Resolution as set out at Item No. 3 of the Notice for approval by the Members. Accordingly, your approval is solicited.

MEMORANDUM OF INTEREST:

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3.

ITEM NO. 4:

The Board of Directors of the Company, on the basis of recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, in its meeting held on 19th July, 2022, had appointed Mr. Bhooshan Lal Uppal (DIN: 09626239) as an Additional Director, designated as an Independent Director, of the Company with effect from 19th July, 2022 to hold office upto the date of forthcoming Annual General Meeting. His term of appointment as an Independent Director will be consecutive three years starting from 19th July, 2022. He will be paid sitting fees and incidental expenses for attending the Board/ Committee Meetings, as applicable to other Independent Directors of the Company.

Mr. Bhooshan Lal Uppal is having a rich experience of 45 years in the Chemical Industry. He is having the ability to perform accurate need analysis, assess technical capabilities, build and motivate teams, carry out strategic planning for cost reductions and manage diverse arenas like Manufacturing, Personnel and IR Management. He is well versed with changes in technology and the business implications/ applications of new technologies.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the Members of the Company. Further, pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall take approval of shareholders for appointment of Director at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Bhooshan Lal Uppal require the approval of Members.

The Company has received requisite notice in writing from a Member proposing appointment of Mr. Bhooshan Lal Uppal as a candidate for the office of Independent Director of the Company for a term of consecutive three (3) years starting from 19th July, 2022.

The Company has received consent from Mr. Bhooshan Lal Uppal and also a declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Bhooshan Lal Uppal is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mr. Bhooshan Lal Uppal is provided at the end of this statement.

The Board recommends the Special Resolution as set out at Item No. 4 of the Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Bhooshan Lal Uppal, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

ITEM NO. 5:

The Board of Directors of the Company, on the basis of recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, in its meeting held on 19th July, 2022, had appointed Mr. Anil Kumar (DIN: 00009928) as an Additional Director, designated as an Independent Director, of the Company with effect from 19th July, 2022 to hold office upto the date of forthcoming Annual General Meeting. His term of appointment as an Independent Director

will be consecutive three years starting from 19th July, 2022. He will be paid sitting fees and incidental expenses for attending the Board/ Committee Meetings, as applicable to other Independent Directors of the Company.

Mr. Anil Kumar is an Electrical Engineer and Master of Business Administration from Punjab University, Chandigarh. He is having a rich experience of approx. 49 years in Paper & Textile Industry. He has worked as Unit head in Shreyans Industries Limited (SIL) since 1982. He subsequently joined the Board of SIL. Besides this, he has been associated with many trade and other organizations and played an active role as president of Indian Pulp and Paper Technical Association & also as a member of governing council of Central Pulp and Paper Research Institute and various sub committees of Governmental bodies connected with the Industry.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the Members of the Company. Further, pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall take approval of shareholders for appointment of Director at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Anil Kumar require the approval of Members.

The Company has received requisite notice in writing from a Member proposing appointment of Mr. Anil Kumar as a candidate for the office of Independent Director of the Company for a term of consecutive three (3) years starting from 19th July, 2022.

The Company has received consent from Mr. Anil Kumar and also a declaration confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Anil Kumar is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for

appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Mr. Anil Kumar is provided at the end of this statement.

The Board recommends the Special Resolution as set out at Item No. 5 of the Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Mr. Anil Kumar, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

ITEM NO. 6:

The Board of Directors of the Company, on the basis of recommendation of Nomination & Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, in its meeting held on 19th July, 2022, had appointed Ms. Parakh Oswal (DIN: 08312705) as an Additional Director, designated as an Independent Director, of the Company with effect from 19th July, 2022 to hold office upto the date of forthcoming Annual General Meeting. Her term of appointment as an Independent Director will be consecutive five years starting from 19th July, 2022. She will be paid sitting fees and incidental expenses for attending the Board/ Committee Meetings, as applicable to other Independent Directors of the Company.

Ms. Parakh Oswal is Bachelor of Arts (English) and has also done a Post Graduate Diploma in Human Resource Management. She is having a rich experience of 20 years in dealing with HR functions both as an employee and a professional consultant with varied industry exposure across sectors like Real Estate Consulting, Electronics & Semi-conductors, Packaging, IT (Data warehousing), Security & Surveillance Equipment's, Seamless tubes, Wastewater Treatment, Power conversion & Protection. Her skill set encompasses Operational and Developmental HR with a significant experience in setting up of HR processes and systems in Startups.

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, appointment of Independent Directors requires approval of the Members of the Company. Further, pursuant to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall take approval of shareholders for appointment of Director at the next general meeting or within three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Ms. Parakh Oswal require the approval of Members.

The Company has received requisite notice in writing from a Member proposing appointment of Ms. Parakh Oswal as a candidate for the office of Independent Director of the Company for a term of consecutive five (5) years starting from 19th July, 2022.

The Company has received consent from Ms. Parakh Oswal and also a declaration confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Ms. Parakh Oswal is Independent of the Management and in the opinion of the Board, fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. A copy of the draft letter for appointment as an Independent Director setting out the terms and conditions would be available for inspection without any fee to the Members at the Registered Office of the Company during normal business hours on any working day. A brief profile of Ms. Parakh Oswal is provided at the end of this statement.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval by the Members. Accordingly, your approval is solicited.

Memorandum of Interest:

Except Ms. Parakh Oswal, being the appointee, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

ITEM NO. 7:

Pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. April 1, 2019, approval of the shareholders is required by way of a Special Resolution for continuing the directorship of any non-executive director who has attained the age of 75 years.

Now, pursuant to these provisions, for continuation of directorship of Mr. Shri Paul Oswal who is aged about 80 years and proposed to be re-appointed in this AGM as a director liable to retire by rotation, a Special Resolution is required to be approved by the Members of the Company.

Mr. Shri Paul Oswal holds Masters degree in Commerce (Gold Medalist). He is having a rich and varied experience of more than 50 Years in Textile Industry. He is associated with the Company since incorporation. Now, considering his vast and rich experience and expertise in textile industry, the Board of Directors recommends this Special Resolution for approval by the Members.

Accordingly, your approval is solicited.

MEMORANDUM OF INTEREST:

Except Mr. Shri Paul Oswal, being appointee, Mr. Sachit Jain & Mrs. Suchita Jain, being appointee's relatives, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 7.

ITEM NO. 8:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Members in their 31st AGM held on 28th September, 2021 had given approval for entering into Related Party Transactions for the Financial Year 2022-23.

The approval of the Members is mandatorily required for entering into all material Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {Regulation 23 (4)}.

Transactions are to be considered as material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crores or ten percent of the Annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. The material nature of related party transactions being entered by the Company mandates it to seek Members approval for such transactions for the Financial Year 2023-24.

Vardhman Textiles Limited (VTXL) is a major consumer of Japan Exlan Technology acrylic fiber, the technology deployed by your Company, in India since long much before the start of production of your Company. The average sale of acrylic fiber by your Company to VTXL in the last three years has been less than 30% of its production and all the transactions have always been at then prevailing market prices & on an arm's length basis and has been based on commercial prudence.

Accordingly, your approval is solicited for the proposed transactions with VTXL in FY 2023-24, as detailed under:

Name of the Related Party	Vardhman Textiles Limited (VTXL)
Relationship with the Company	Holding Company
Particulars of Contract or Arrangements and Material Terms/ Indicative Base Price	Sale of Acrylic Fiber(Traded/Manufactured)- At Market Prices Purchase/ sale of MEIS licenses/RoDTEP Scrip - At Market Prices Purchase/ sale of fixed assets - At Market Prices Rent Paid - At Market Prices Payment towards sharing of corporate services - At Cost Reimbursement of expenses (paid/ received) - on Actual basis
Value of Proposed Transactions	Upto ₹ 150 crore or 35% of the turnover of the Company whichever is higher
Percentage of the Company's turnover considering FY 2021-22 as the immediate previous FY	23% approx.
Justification for the proposed transactions	As given above in the explanatory statement
Details of Transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	Not Applicable
Valuation or other external Report, if any, relied upon by the Company	As the transactions have been entered into on an arm's length basis, as explained above, valuation or other external report is not required.

The Board recommends the Ordinary Resolution as set out at Item No. 8 of the Notice for approval by the Members. Accordingly, your approval is solicited.

MEMORANDUM OF INTEREST:

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 8.

ITEM NO. 9:

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendation of the Audit Committee, the Board of Directors in its meeting held on 16th May, 2022 re- appointed Mr. R.A. Mehta as Cost Auditor of the Company to conduct Cost Audit for Financial Year ending 31st March, 2023.

Accordingly, consent of the members is solicited for passing an Ordinary Resolution as set out at Item No. 9 of the notice for ratification of payment of remuneration of ₹ 50,000 plus applicable taxes to the Cost Auditor for the Financial Year ending 31st March, 2023.

The Board recommends the Ordinary Resolution as set out at Item No. 9 of the Notice for approval by the Members. Accordingly, your approval is solicited.

MEMORANDUM OF INTEREST:

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 9.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), regarding the Directors retiring by rotation/seeking appointment/re-appointment in the Annual General Meeting.

Name of the Director	Mr. Shri Paul Oswal	Mr. Bhooshan Lal Uppal	Mr. Anil Kumar	Ms. Parakh Oswal
Date of Birth	08.04.1942	21.04.1950	02.08.1950	06.12.1978
Age	80 Years	72 Years	72 Years	43 Years
Date of First Appointment	24.12.1990	19.07.2022	19.07.2022	19.07.2022
Number of meetings of the Board attended during the Financial year	4	-	-	-
Expertise in specific functional area	Rich Business experience of more than 50 years in Textile Industry.	Rich experience of 45 Years in Chemical Industry.	Rich experience of approx. 49 years in Paper & Textile Industry.	Rich experience of 20 Years in Human Resource functions.
Qualification	M. Com (Gold Medalist)	B.Tech - Chemical and Post Graduate Diploma in Business Management (PGDBM).	B.Tech- Electrical and MBA	Bachelor of Arts (English), Post Graduate Diploma in Human Resource Management (PGDHRM).
Directorships in other Listed Companies as on 31 st March, 2022	1. Vardhman Textiles Limited 2. Vardhman Holdings Limited	-	-	-

Name of the Director	Mr. Shri Paul Oswal	Mr. Bhooshan Lal Uppal	Mr. Anil Kumar	Ms. Parakh Oswal
Chairman/Member of Committees of other Listed Companies as on 31 st March, 2022	-	-	-	-
Listed entity from which the Director resigned in last 3 years	-	-	-	-
Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met.	N.A.	<p>-Administrative experience, Leadership and Strategic Planning.</p> <p>- He will contribute the Board with his rich experience and insight of Chemical Industry and his capability to perform accurate need analysis, awareness about changes in Technology & its Business implications/ application, carrying out strategic planning for cost reductions and managing diverse arenas like manufacturing, personnel and IR Management.</p>	<p>- Administrative experience, Leadership and Strategic Planning.</p> <p>- He is a person of integrity and will contribute the Board with his rich experience in Administration, Strategic Planning and Finance.</p>	<p>- Administrative experience, Leadership and Human Resource Management.</p> <p>- She will contribute the Board with her rich experience in HR Management & Administration.</p>
Shareholding in the Company	10	-	-	-
Relationship with other Director(s)/ KMP	Mr. Shri Paul Oswal is father of Mrs. Suchita Jain and father-in-law of Mr. Sachit Jain.	Not related to any Director/ KMP.	Not related to any Director/ KMP.	Not related to any Director/ KMP.

Directors' Report

Dear Members,

The Directors of your Company have pleasure in presenting their 32nd Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2022.

1. FINANCIAL RESULTS:

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

PARTICULARS	(₹ in lakhs)	
	2021-22	2020-21
Revenue from operations (Net)	30,332.63	28,018.82
Other Income	1,439.57	1,537.10
Profit before Depreciation, Interest & Tax (PBDIT)	2,323.57	6,305.34
Interest and Financial expenses	39.03	53.02
Profit before Depreciation and Tax (PBDT)	2,284.54	6,252.32
Depreciation	541.51	541.53
Profit before Tax (PBT)	1,743.03	5,710.79
Provision for Tax - Current	555.45	1,450.59
- Deferred Tax (Net of Adjustment)	(268.37)	(31.46)
- Total tax expenses	287.08	1,419.13
Profit after tax (PAT)	1,455.95	4,291.66
Other Comprehensive Income	29.49	2.84
Total Comprehensive Income for the period	1,485.44	4,294.50
Earnings per share (₹)		
- Basic	1.81	5.34
- Diluted	1.81	5.34

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented as under:

A. ACRYLIC FIBER INDUSTRY - GLOBAL AND INDIAN PERSPECTIVE:

Global Acrylic Fiber consumption was impacted in the year 2021 due to the effects of Covid19 pandemic, volatility in prices of major raw material and very significant increase in energy prices including unprecedented rise

in coal prices and other key inputs. High logistics costs caused by global imbalance in availability of containers and port congestion added to the woes of the Industry. Global consumption in 2021 though showed signs of improvement over 2020 but was still about 9% lower than 2019. This drop in consumption was seen despite economic recovery in the year 2021 over 2020. High cost of Acrylic Fiber and effects of Covid19 pandemic adversely impacted global Acrylic Fiber consumption in 2021. A large Acrylic Fiber manufacturing plant in Europe shut down permanently during the year under the pressure of unfavorable economic factors.

Crude oil prices gradually inched up during the year and ended the year at about USD 80/ barrel. As primary raw

material of Acrylic Fiber, Acrylonitrile is a derivative of crude oil, high crude oil prices and even a higher surge in propylene prices had a cost push impact on Acrylonitrile during the year. Acrylonitrile prices touched historically high level of over USD 2800 PMT at beginning of 2021 due to supply demand imbalance. The Acrylic Fiber producers also had to increase prices though the market could not absorb the entire cost increase. Though supply of Acrylonitrile improved later but due to increasing energy costs, Global Acrylic Fiber prices remained at relatively higher levels throughout the year 2021. While a large part of drop in consumption could be attributed to Covid19, a part of drop also seems to be on account of higher prices of Acrylic Fiber.

Locally, in India, Acrylic Fiber consumption was adversely affected in earlier part of FY22 due to lockdown imposed in various parts of country to manage the second wave of Covid19. Consumption improved as Covid19 abetted. However, consumption of Acrylic Fiber in downstream supply chain remained muted and quite need based on account of lingering uncertainty about Covid19 as also high prices of Acrylic Fiber. Apparent consumption of Acrylic Fiber in FY22 dropped below FY21 consumption by about 10%. In the meantime low priced imports from some countries continue as government has not imposed anti-dumping duty despite a positive recommendation by the Directorate General of Trade Remedies (DGTR). This matter related to non-imposition of the Anti-Dumping is subjudice. Major hit due to drop in consumption of Acrylic Fiber in India was borne by Indian Acrylic Fiber producers

and import of Acrylic Fiber was not impacted to the same extent.

B. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

• PRODUCTION & SALES REVIEW:

Your Company has achieved a turnover of ₹30,332.63 lakhs against a turnover of ₹ 28,018.82 lakhs in the previous year. After providing for depreciation of ₹ 541.51 lakhs (previous year ₹ 541.53 lakhs) and provision for current tax of ₹ 555.45 lakhs (previous year ₹1,450.59 lakhs), deferred tax of ₹ (268.37) lakhs (previous year ₹ (31.46) lakhs), Profit after Tax after considering Other Comprehensive Income of the Company is ₹ 1,485.44 lakhs as against ₹ 4,294.50 lakhs in the previous year.

RESOURCE UTILIZATION:

(a) Fixed Assets:

The gross fixed assets (including work in-progress) as at March 31, 2022 were ₹ 7,930.33 lakhs as compared to ₹ 7,684.82 lakhs in the previous year.

(b) Current Assets:

The current assets as on March 31, 2022 were ₹ 18,906.78 lakhs as against ₹ 37,241.11 lakhs in the previous year. Inventory level was at ₹ 7,684.89 lakhs as against ₹ 6,419.92 lakhs in the previous year.

FINANCIAL CONDITIONS & LIQUIDITY:

Management believes that the Company's liquidity and capital resources should be sufficient to meet its expected working capital needs and other anticipated cash requirements. The position of liquidity and capital resources of the Company is given below:-

PARTICULARS	₹ in lakhs	
	2021-22	2020-21
Cash & cash equivalents:		
Beginning of the year	1857.47	6279.64
End of the year	146.55	1857.47
Net cash provided/ (used) by:		
Operating Activities	(941.39)	3,945.71
Investing Activities	19,012.30	(8,257.51)
Financial Activities	(19,781.83)	(110.37)

C. BUSINESS OUTLOOK

It seems that new variants of Covid19 are not likely to have an adverse impact on Indian and Global economies in FY22, as has been seen in third wave of Covid19 in early 2022. Most of the Covid19 related restriction have been removed in our country which is a positive for Acrylic Fiber. It is expected that Acrylic Fiber consumption may improve over FY22 due to reasons explained above but we have to carefully watch factors such as inflation, high energy prices and possibility of new variants of Covid19 which may cause concern.

There have been regular additions to Acrylonitrile capacity in recent years. More additions have been planned in 2022 and 2023. It is expected that overall supply will be adequate for meeting demand of Acrylic Fiber and other end uses. Acrylonitrile prices are also expected to remain in moderate range.

Some rationalisation of Acrylic Fiber capacity which took place in 2021 will improve capacity utilization at global level. Despite this, exports to India are likely to intensify as producers especially those dependent on exports keep looking for markets. This may put pressure on margins of domestic Acrylic Fiber industry as also your Company. A level playing field will continue to be denied to Indian Acrylic Fiber industry unless the recommended Anti-Dumping duties are made effective.

D. MAJOR RISK AND AREA OF CONCERN

Though Covid19 related concerns seem to have subsided in large parts of world but Covid19 spread and strict lock down in China is causing disruptions in global supply chain. Global economy is likely to be hit by continuing high energy cost, logistics issues and costs in international trade and the Russia - Ukraine conflict besides any unexpected Covid19 related developments. Tightening of monetary policies by Central banks to curb inflation may have necessary impact which will impact consumption in general including Acrylic Fiber Industry. Indian economy and consumption will also be affected as India remains a large importer of energy. The government of India's drive to increase exports including that of textile goods from India is likely to benefit Industry in general and textile Industry specifically. An increase in incomes of people will translate into better opportunities for Indian Acrylic Fiber Industry and your Company.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

F. INTERNAL FINANCIAL CONTROL:

Your Company makes extensive use of IT systems to monitor Compliance to statutory requirements on monthly basis. Your Company is committed to ensure not only compliances to all statutory requirements but also have requisite internal control aligned with best and sound industry practices. Company draws significant advantages in terms of updating of knowledge and practices being part of Vardhman Group. Company or their auditors, including Statutory auditors, did not observe any material weakness or improvement areas in financial controls or internal controls during the year.

G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

Health and safety of people working inside factory has always been of utmost importance to the management of your Company and during Covid19 conditions Company made all the required efforts to ensure safety and well being of all team members.

Development and Training of team has always been a focus area of management as the production technology deployed in the plant is complex. Team members are encouraged to and participate in group activities aimed at honing their skills, building their knowledge and finding solutions to problems together and training of younger team members.

Your Company witnessed a period of industrial unrest during the year which has been resolved. Discussions for wage settlement with workmen were in progress since June 2020 both bilaterally and before Assistant Labour

Commissioner, Bharuch as the Conciliation Officer when the workmen resorted to a flash illegal strike and did not resume their duties on 19th April 2021. Efforts of the Company as also the labour department of the government of Gujarat for resolution of the matter did not bear fruit. Government of Gujarat prohibited the strike on 16th June 2021 and also simultaneously referred the matter to Industrial Tribunal for adjudication. Workers

started joining duties subsequent to prohibition of strike by the government of Gujarat. Normal operations at plant started on 12th July 2021. Wage settlement with workmen has been arrived in January 2022 and normal operations & industrial peace have returned.

The Company employed on an average 309 persons during the year.

H. Summary of Key Financial Ratios:

PARTICULARS	2021-22	2020-21	% change
Debtors Turnover Ratio (Days)	15	16	-3.64
Inventory Turnover (Days)	85	81	4.51
Current Ratio (Times) ¹	2.31	4.91	-53.00
Debt Equity Ratio (Times) ²	0.01	0.00	1359.79
Interest Coverage Ratio (Times) ³	45	92	-50.53
EBIDTA Margin (%) ³	7.66	22.50	-65.96
Net Profit Margin (%) ³	4.80	15.32	-68.66
Return on Net Worth (%) ³	6.86	10.77	-36.35

Notes:-

1. This ratio has decreased mainly due to decrease in investments in mutual funds and fixed deposits.
2. Debt Equity ratio has increased FY 2021-22 due to increase in short term borrowings and decrease in shareholder's equity.
3. These ratios have decreased as compared to previous year, mainly on account of decrease in profit after tax by ₹ 28.56 cr.

3. DIVIDEND:

During the year under review, the Board of Directors in its meeting held on 23rd October, 2021 declared an Interim Dividend of ₹ 25/- per share on the fully paid-up equity shares of the Company.

4. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government after the completion of seven years from the date of transfer to the Unpaid Dividend Account of the Company. The unclaimed or unpaid dividend relating to the Financial Year 2014-15 is due for remittance in the month of October, 2022 to the Investor Education and Protection Fund established by the Central Government.

Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published requisite advertisement in the newspapers in this regard.

The details of these shares are also provided on the website of the Company at www.vardhman.com.

5. CONSOLIDATED FINANCIAL STATEMENT:

As your Company does not have any subsidiary, associate or joint venture Company, therefore, the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) 110, 111, 112 in relation to consolidation of accounts do not apply.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any subsidiary/ material subsidiary, associate or joint venture Company.

7. DIRECTORS:

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

Continuation of Non-Executive Directors: Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Special Resolution has been proposed to be passed by the Members in the ensuing Annual General Meeting for continuation of directorship of Mr. Shri Paul Oswal, Non-Executive Director who is aged about 80 years proposed to be re-appointed in this AGM as a director liable to retire by rotation.

Declaration by Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

Your Board confirms that in its opinion the Independent Directors possess the requisite integrity, experience, expertise, proficiency and qualifications. All the Independent Directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon (IICA) as notified by the Central Government under Section 150(1) of the Companies Act, 2013 and shall undergo online proficiency self-assessment test, if applicable, within the time prescribed by the IICA.

Company's Policy relating to Directors' appointment, payment of remuneration and discharge of their duties:

The Nomination & Remuneration Committee of the Company has formulated the Nomination &

Remuneration Policy on Director's appointment and remuneration which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013.

The Nomination & Remuneration Policy is annexed hereto and forms part of this report as **Annexure I**.

Familiarization Programmes for Board Members:

Your Company has formulated Familiarization Programme for all the Board members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies Act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company etc. through various programs.

The Familiarization Programme for Board members may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Familisation_program_for_Board_Members.pdf

Annual Evaluation of the Board Performance:

The Meeting of Independent Directors of the Company for the Financial Year 2021-22 was held on 24th March, 2022 to evaluate the performance of the Non-Independent Directors, Chairman of the Company and the Board as a whole.

The evaluation was done by way of discussions on the performance of the Non- Independent Directors, Chairman and Board as a whole.

A policy on the performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors has been formulated by the Company.

8. KEY MANAGERIAL PERSONNEL (KMP):

In compliance with provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2022:

Sr. No.	Name	Designation
1.	Bal Krishan Choudhary	Managing Director
2.	Vivek Gupta	Chief Financial Officer
3.	Satin Katyal	Company Secretary

9. NUMBER OF BOARD MEETINGS:

During the year under review, the Board met four (4) times and the intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013. The details of Board Meeting are set out in Corporate Governance Report which forms part of this Annual Report.

10. AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

M/s. SCV & CO. LLP. (Formerly S.C. Vasudeva & Co.), Chartered Accountants (Firm Registration no. 000235N/ N500089) were appointed as Statutory Auditors of the Company for a term of five years at the 27th Annual General Meeting of the Company held on 22nd September, 2017. Since, their term is expiring at the ensuing Annual General Meeting, the Board of Directors of the Company in its meeting held on 16th May, 2022 has approved and recommended to the Shareholders the re-appointment of M/s. SCV & Co. LLP as the Statutory Auditors of the Company for a second consecutive term of five (5) years starting from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting. The said re-appointment is subject to approval by the Members of the Company.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31st March, 2022.

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

Secretarial Auditor:

M/s Ashok K. Singla & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 8th May, 2021 for the Financial Year 2021-22.

The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section

204 of the Companies Act, 2013 for the Financial Year ended 31st March, 2022. This Report is self-explanatory and requires no comments. The Report forms part of Directors' Report as **Annexure II**.

Cost Auditor:

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

The Board of Directors has appointed Mr. R.A. Mehta, Practising Cost Accountant, as the Cost Auditor of the Company to conduct Cost Audit of the Accounts for the financial year 2022-23. However, as per provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditor is subject to ratification by Members at the Annual General Meeting. Accordingly, the remuneration to be paid to Mr. R.A. Mehta, Practising Cost Accountant, for financial year 2022-23 is placed for ratification by the Members.

11. AUDIT COMMITTEE:

Composition of Audit Committee:

The Audit Committee consists of three Independent Directors i.e. Mr. Sanjit Paul Singh, Mr. Munish Chandra Gupta and Mrs. Apinder Sodhi. Mr. Sanjit Paul Singh is the Chairman of the Committee and Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

12. VIGIL MECHANISM & SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Vigil Mechanism:

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Whistle Blower Policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud or violation of the codes of conduct by way of direct access to the Chairman/ Chairman of the Audit Committee.

The Company has also provided adequate safeguards against victimization of employees and Directors who

express their concerns.

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Vigil_Mechanism_Policy.pdf

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Your Directors further state that during the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

13. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Practising Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report on Corporate Governance.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Vision & core areas of CSR: Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the Companies Act, 2013. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

CSR Policy: The Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate_Social_Responsibility_Policy.pdf

During the year, the Company has spent ₹94.67 lakhs on CSR activities.

The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 are annexed hereto and forms part of this report as **Annexure III**.

15. RISK MANAGEMENT:

The risk management policy required to be formulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of risk management policy is to maximize opportunities in all activities and to minimize adversity. The policy includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company.

The Risk Management policy may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Risk_Management_Policy.pdf

16. BUSINESS RESPONSIBILITY REPORT (BRR):

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the BRR as part of the Annual Report for top 1000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosure into our Annual Report.

17. INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

A report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 as given by the Statutory Auditors of the Company forms part of Independent Auditor's Report on Financial Statements as **Annexure B**.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of Contracts or Arrangements made with related parties as required under Section 134(3) (h) of the Companies Act, 2013 in specified form AOC-2 forms part of Directors' report as **Annexure IV**.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Related_Party_Transactions_Policy.pdf

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note 4, 5, 9 and 12 to the financial statement).

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

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize

the energy cost while carrying out the manufacturing operations. Particulars with respect to conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are annexed hereto and forms part of this report as **Annexure V**.

21. ANNUAL RETURN:

In terms of Section 92(3) and 134(3)(a) of the Companies Act, 2013 the Annual Return of the Company is available on the website of the Company at the link: www.vardhman.com

22. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring to build high performance culture on one hand and amiable work environment on the other hand.

During the year, the Company employed around 309 employees on permanent rolls.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The disclosures in respect of managerial remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, are annexed hereto and forms part of this report.

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

In terms of section 197(14) of the Companies Act, 2013, the details regarding remuneration or commission received from any holding or subsidiary Company by any Managing or Whole Time Director are annexed hereto and form part of this report.

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

24. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

25. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 134 (5) of the Companies Act, 2013, the Board hereby submits its responsibility Statement:

- a. In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- b. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit of the Company for the year ended on 31st March, 2022;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

26. GENERAL DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Transfer of unclaimed/unpaid Dividend to Investor Education and Protection Fund.
5. Change in nature of Business of Company.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board.
7. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
8. There was no instance of one time settlement with any Bank or Financial Institution.

27. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government, Bankers, Business Constituents and Shareholders for their continued and valuable co-operation and support to the Company and look forward to their continued support and co-operation in future too.

They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

FOR AND ON BEHALF OF THE BOARD

Place: Ludhiana
Dated: 16th May, 2022

Sd/-
(S.P. Oswal)
Chairman

INDEX OF ANNEXURES

(Forming Part of Board Report)

Annexure No.	Particulars
I	Nomination and Remuneration Policy
II	Secretarial Audit Report in form no. MR-3 for FY 2021-22.
III	CSR Activities – Annual Report FY 2021-22.
IV	Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in Form AOC – 2.
V	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
VI	Particulars of employees and related disclosures.

ANNEXURE-I

NOMINATION AND REMUNERATION POLICY

OF VARDHMAN ACRYLICS LIMITED

1. PREFACE:

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 1st November, 2014.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of Vardhman Acrylics Limited (VAL) in their meeting held on 4th May, 2015 made certain amendments in the existing policy and thereafter replaced the existing policy with the amended policy.

The amended policy is as under:-

2. ROLE OF THE COMMITTEE:

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board, remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
 - i. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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

- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise a policy on Board diversity.

3. MEMBERSHIP:

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

4. CHAIRMAN:

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

5. FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held at such regular intervals as may be required.

6. COMMITTEE MEMBERS' INTERESTS:

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

8. VOTING:

- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

9. MINUTES OF COMMITTEE MEETING:

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

10. EFFECTIVE DATE & AMENDMENTS:

This policy will be effective from 4th May, 2015 and may be amended subject to the approval of Board of Directors.

ANNEXURE-II

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022

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

To,
The Members,
Vardhman Acrylics Limited,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - Not applicable to the Company during the Audit period;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - Not applicable to the Company during the Audit period;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not applicable to the Company during the Audit period;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - Not applicable to the Company during the Audit period and

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. -Not applicable to the Company during the Audit period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

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

We further report that

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

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

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

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

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

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

Sd/-
Ashok Singla
Proprietor

Date: 16th May, 2022

Place: Ludhiana

Membership No. 2004

Certificate of Practice No. 1942

UDIN: F002004 D000 324557

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

List of Labour Laws

Factories Act, 1948

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employee's State Insurance Act, 1948

The Payment of Bonus Act, 1972

The Contract Labour (Regulation and Abolition) Act, 1970

The Apprentices Act, 1961

List of Environmental Laws

Environmental (Protection) Act, 1986

The Public Liability Insurance Act, 1991

Water (Prevention and Control of Pollution) Act, 1974

Air (Prevention and Control of Pollution) Act, 1981

Hazardous Waste (Management, Handling and Trans boundary Movements) Rules, 2008

Annexure A

To
The Members
Vardhman Acrylics Limited,

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Date: 16th May, 2022
Place: Ludhiana

Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004 D000 324557

ANNEXURE-III

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company.

Broad contours of CSR Policy of the Company are:-

- 1) Promotion of Education
- 2) Rural Development
- 3) Promoting Healthcare
- 4) Environment protection and Energy Conservation
- 5) Any other project/programme pertaining to activities listed in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sachit Jain	Chairman, Non-Independent, Non-Executive Director	2	0
2.	Mr. Bal Krishan Choudhary	Member, Non-Independent, Executive Director	2	2
3.	Mr. Munish Chandra Gupta	Member, Independent, Non-Executive Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Link of Composition:- https://www.vardhman.com/Document/Report/Company%20Information/Board/Vardhman%20Acrylics%20Ltd/List_of_Committees_of_Directors.pdf

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

Link of CSR Projects:- <https://www.vardhman.com/Investors/Compliances>

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

Not Applicable.

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

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

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

₹ 4,163.26 lakhs

7.

7 (a)	7 (b)	7 (c)	7 (d)
Two percent of average net profit of the Company as per section 135(5)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Amount required to be set off for the financial year, if any	Total CSR obligation for the financial year (7a+7b-7c).
₹ 83.27 lakhs	NIL	NIL	₹ 83.27 lakhs

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

Total Amount Spent for the Financial Year. (in ₹.)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
2021-22	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 85.22 lakhs *	NIL	-	-	-	-

* In addition, an amount of ₹ 9.45 lakhs pertaining to FY 2020-21, has also been spent during the current financial year 2021-22.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
				State	District						Name	CSR registration number
				Location of the project.		Project Duration (in months)	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.	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	State	District	Project Duration (in months)	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)	Name	CSR registration number
1	Fulwadi: Construction of new class rooms at Govt. Primary School in Fulwadi village.	Clause (ii) Promoting Education	Yes	Gujarat	Bharuch	24	20.92	0.47		No	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
2	Limet: Construction of a new Aganwadi at Limet Village.	Clause (ii) Promoting Education	Yes	Gujarat	Bharuch	18	19.66	0.21		No	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
3	Talodara: Construction of a room over ground floor for setting up cottage industry in Talodara village.	Clause (x) Rural Development Projects	Yes	Gujarat	Bharuch	18	9.35	5.65		No	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
							49.93	6.33				

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				State	District			Name	CSR registration number
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	State	District	Amount spent for the project (in ₹ lakhs)	Mode of implementation - Direct (Yes/No)	Name	CSR registration number
1	Randeri (Talodara village): Construction of a new community hall.	Clause (x) Rural Development Projects	Yes	Gujarat	Bharuch	15.12	NO	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
2	Provided 4 oxygen concentrator to Talkuka Health Centre - Valia, Jagadia.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Gujarat	Bharuch	2.10	Yes		

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (in ₹) lakhs	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
3	Ankleshwar: Provided medical equipment to Smt. Jayaben Modi Trust Hospital at Ankleshwar for ICU patient (8 nos).	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Gujarat	Bharuch	20.00	Yes		
4	Bharuch: Provided medical equipment to SEWASHRAM Trust Hospital, Bharuch. Equipment include ICU monitor, Digital cassette for X-ray machine & portable operation theatre lights etc.	Clause (i) Promoting Healthcare including Preventive Healthcare	Yes	Gujarat	Bharuch	16.12	Yes		
5	Kharchi (Sardarpura Village): Construction of new Aganwadi at Kharchi Village.	Clause (ii) Promoting Education	Yes	Gujarat	Bharuch	4.64	NO	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
6	Kapalsadi: Construction of new Community hall in Kapalsadi village.	Clause (x) Rural Development Projects	Yes	Gujarat	Bharuch	5.45	NO	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
7	Kapalsadi: Construction of Common hall at Kapalsadi village at Govt. Primary School over ground floor.	Clause (ii) Promoting Education	Yes	Gujarat	Bharuch	4.13	NO	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
8	Sardarpura: Construction of a new class room above ground floor at Govt Primary School at Sardarpura village.	Clause (ii) Promoting Education	Yes	Gujarat	Bharuch	6.85	NO	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
9	Ranipura : Provided streetlight with electrical fittings and pole at Ranipura village in Jhagadia Taluka.	Clause (x) Rural Development Projects	Yes	Gujarat	Bharuch	4.48	NO	Sri Aurobindo Socio Economic & Management Research Institute	CSR00000873
						78.89			

- (d) Amount spent in Administrative Overheads: : NIL
- (e) Amount spent on Impact Assessment, if applicable : NA
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 85.22 lakhs
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 83.27 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 85.22 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1.95 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 1.95 Lakhs

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 ₹)	Date of transfer	
1	2020-21	8.83	9.45	-	-	-	-

(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 was commenced.	Project duration (in months)	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
1	FY31.03.2021_1	Kharchi (Sardarpura Village): Construction of new Aganwadi at Kharchi Village.	2020-21	18	16.66	2.69	16.66	Completed
2	FY31.03.2021_2	Kapalsadi: Construction of new Community hall in Kapalsadi village.	2020-21	18	20.98	2.38	20.98	Completed
3	FY31.03.2021_3	Kapalsadi: Construction of Common hall at Govt. Primary School at Kapalsadi village.	2020-21	18	15.26	1.55	14.29	Completed
4	FY31.03.2021_4	Sardarpura: Construction of a new class room at Govt. Primary School at Sardarpura village.	2020-21	18	15.26	2.83	12.40	Completed
5	FY31.03.2021_5	Ranipura: Providing streetlight with electrical fittings and pole at Ranipura village in Jhagadia Taluka.	2020-21	18	8.14	-	6.16	Completed
Total					76.30	9.45	70.49	

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

- (a) Date of creation or acquisition of the capital asset(s). : NA
- (b) Amount of CSR spent for creation or acquisition of capital asset. : NA
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NA
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

Sd/-
B. K. Choudhary
(Managing Director)

Sd/-
Sachit Jain
(Chairman CSR Committee)

ANNEXURE-IV**FORM NO. - AOC – 2**

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

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.

A.) Details of Contracts or arrangement or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2022, which were not at arm's length basis.

B.) Details of Material Contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Vardhman Textiles Limited (Holding Company)	Sale of Goods Purchase of Goods Purchase of MEIS/ RODTEP license Reimbursement of Common Corporate Expenses Reimbursement of expenses paid Reimbursement of expenses received Dividend Paid	April 2021 –March 2022	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arms length basis. The value of transactions are as given in Note No. 38 to the Financial Statements.	N.A	Nil

By Order of the Board
For **Vardhman Acrylics Limited**

Place: Ludhiana
Date: 16th May, 2022

Sd/-
S.P. Oswal
Chairman

ANNEXURE-V

INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2022.

A. CONSERVATION OF ENERGY:

i) Steps taken for conservation of energy:

- I. Shifting of capacitors at tail end of the long feeders.
- II. Replacing repeatedly rewound motors with new efficient motors.
- III. Study, procurement and Installation of new pumps with high efficiency in few applications.
- IV. Optimisation of air circulation in process line dryers for power saving.
- V. Speed reduction in Boiler feed water pump with existing VFD without impacting operations.
- VI. Optimal distribution of compressed air in the process line.

ii) Steps taken by the Company for utilizing alternate sources of energy:

Following are the steps taken by the Company for utilizing alternate sources of energy during the Financial Year 2021-22 :-

Efforts are continuing to identify viable opportunities of using alternate sources of energy.

iii) Expenses incurred on energy conservation equipment:

The Company has incurred ₹ 11.30 lakhs on different energy & utilities saving projects.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption, adoption and innovation:

- a) 3D tow and 6D VC & FC products established in export market.

- b) Improvement in Tow quality by optimizing process conditions and alternate additives in process.
- c) Improvement in staple fiber quality for better performance at customer end in terms of improvement in strength.
- d) Development of alternate manufacturer for customized finish oil for staple fiber.
- e) Substitution of imported consumables, spares & equipment by indigenous sources.
- f) Selection of most suitable RO membranes of all stages for cost saving and better performance.
- g) Successful plant level trial for indigenous activated carbons as alternative of imported activated carbons.
- h) Upgradation of Distributed Control System (DCS) for reliable process control.

ii) Benefits derived as a result of the above efforts:

- Enhancement in product quality
- Achieving Cost savings
- Higher Customer satisfaction
- Alternate vendor development

iii) In case of imported technology, (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

- a) Technology imported – NIL.
- b) Year of import – NA.
- c) Has technology been fully absorbed – NA.
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action – NA.

iv) The expenditure incurred on Research and Development (R&D): The R&D efforts in the Company are being made with the help of experts as mentioned below:-

(a) Specific areas in which R&D is carried out by the Company:

- I. Improvement in waste water treatment for better efficiency and lower costs.
- II. Different trials and change in process conditions & parameters of production line for change in product quality parameters leading to higher quality fiber dyed yarn and grey yarn.
- III. Product quality enhancement with the help of new finish oils.

(b) Benefits derived as a result of the above R&D:

- Product quality Improvement
- Wider product basket includes export products.
- Cost savings
- Customer satisfaction
- Higher sustainability.

c) Future plan of action:

- I. New products development for newer market segments.
- II. Indigenization of imported consumables and spares.
- III. Improvement in products quality parameters.
- IV. Improvement and Increase in solvent filtration capacity.

d) Expenditure on R&D:

Particulars	₹ in lakhs	
	2021-22	2020-21
Non -Recurring	-	-
Percentage of turnover	-	-

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:-

Particulars	₹ in lakhs	
	2021-22	2020-21
Foreign Exchange earned (FOB)	-	0.96
Foreign Exchange used (on accrual basis)	20,824.19	9,472.70

ANNEXURE-VI

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

A. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

Sr. No.	Name of Director/ KMP & Designation	Remuneration of Director/KMP for Financial Year 2021-22 (₹ In Lakhs)	% increase / decrease in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Shri Paul Oswal Chairman and Non-Executive Director	-	-	-
2.	Bal Krishan Choudhary Managing Director	104.09	-19.20	37.18
3.	Sachit Jain Non-Executive Non - Independent Director	-	-	-
4.	Suchita Jain Non-Executive Non - Independent Director	-	-	-
5.	Munish Chandra Gupta Non-Executive Independent Director	3.70	15.62	1.32
6.	Sanjit Paul Singh Non-Executive Independent Director	2.60	30	0.93
7.	Surinder Kumar Bansal Non-Executive Independent Director	1.95	8.33	0.70
8.	Apinder Sodhi Non-Executive Independent Director	2.60	30	0.93
9.	Vivek Gupta Chief Financial Officer	38.14	6.18	13.62
10.	Satin Katyal Company Secretary	5.01	3.73	1.79

2. The median remuneration of employees of the Company during the Financial Year was ₹ 2.80 Lakhs (previous year ₹ 2.43 Lakhs).
3. In the Financial Year, there was an increase of 15.23% in the median remuneration of employees.
4. There were 309 permanent employees on the rolls of Company as on March 31, 2022.
5. Average percentage decrease made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2021-22 was 0.80% whereas the decrease in managerial remuneration for the same financial year was 15.32%.

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

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

Sl. No.	Name of Director	Name of Holding Company	Amount (₹. In Lakhs)
1.	Bal Krishan Choudhary	Vardhman Textiles Limited	182.82

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

1. Persons employed throughout the financial year, who were in receipt of remuneration which, in the aggregate, was not less than ₹ 1,02,00,000/- per annum:

Sl. No.	Name of Employee	Designation/ Nature of Duties	Remuneration (₹. in lakhs)	Qualification	Age (Years)	Experience (Years)	Date of Employment	Particulars of Last Employment
1.	Bal Krishan Choudhary	Managing Director	104.09	B.Sc, M.Com, M.B.A	70	49	30.12.1995	Usha Alloys & Steels Limited

2. Persons employed for a part of financial year, who were in receipt of remuneration for any part of that year, at a rate which in aggregate, was not less than ₹ 8,50,000/- per month – Nil.
3. A statement showing names of top 10 employees in terms of remuneration drawn during the year is as follows:

S No., Name, Age, Designation, Gross Remuneration (in ₹ lakhs p.a.), Nature of Employment, qualifications, Experience (in years), Date of Joining, Previous Employment and % of Equity Shares held as on 31st March, 2022.

1).Bal Krishan Choudhary, 70, Managing Director, 104.09, Regular, B.Sc, M.Com, MBA, 49, 30-12-1995, Usha Alloys & Steels Limited, Nil. 2). Ranbir Singh Yadav, 66, Chief General Manager, 38.38, Regular, B.Tech - Textiles, 43, 01-08-2021, Vardhman Textiles Limited, Nil. 3). Vivek Gupta, 55, Senior Vice-President, 38.14, Regular, BE Honours, MBA, 29, 07-11-2007, Pro India Limited, Nil. 4). Jignesh L Parmar, 49, Assistant Vice-President, 27.03, Regular, B.Sc., Master in Labour Laws, MBA, 26, 15-04-2015, Narayan Hrudayalaya Limited, Nil. 5). Basudev Brijkishor Sharma, 51, Vice-President, 23.64, Regular, B.Tech Chemical, 29, 01-10-2008, Jubilant Organosys Limited, Nil. 6). Jayesh Shantilal Gohil, 49, Chief Manager, 19.01, Regular, B.E. Mechanical, 26, 25-10-2010, ISAGRO Asia Agrochemicals Private Limited, Nil. 7). Alpesh Has Mukhbhai Patel, 47, Chief Manager, 17.03, Regular, Diploma in Mechanical Engineering, BOE, 28, 23-09-2013, Thermax Limited, Nil. 8). Dinesh Gaur, 44, Senior Manager, 16.37, Regular, B.TECH., Post Graduate Diploma in Business Management (Marketing), 22, 17/07/2000, Vardhman Textiles Limited, Nil. 9). Pragnesh Ganpatbhai Solanki, 45, Senior Manager, 16.12, Regular, M.E - Electrical, 17, 01-06-2020, M/s Birla Century, Nil. 10). Devendra Bhupatsinh Mangrola, 43, Senior Manager, 15.19, Regular, DIE, 21, 10-09-2007, Videocon Industries Limited, Nil

Note: None of the abovementioned employees are related to any Director of the Company.

CORPORATE GOVERNANCE REPORT

This report on Corporate Governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society. Your Company is committed on adopting the best practices of Corporate Governance as manifested in the Company's functioning to achieve the business excellence by enhancing long-term shareholders' value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities is hallmark of the best practices followed by the Company. This report on Corporate Governance, besides being in compliance of the mandatory SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, gives an insight into the functioning of the Company.

1. VARDHMAN GROUP'S PHILOSOPHY:

- Continued expansion in areas "which we know best".
- Total customer focus in all operational areas.
- Products to be of best available quality for premium market segments through TQM.
- Zero defect implementation.
- Integrated diversification/ product range expansion.
- Global Orientation.
- World class manufacturing facilities with most modern R & D and process technology.
- Faith in individual potential and respect for human values.
- Encouraging innovation for constant improvements to achieve excellence in all functional areas.
- Accepting change as a way of life.

- Appreciating our role as a responsible corporate citizen.

2. BOARD OF DIRECTORS/ BOARD MEETINGS:

i. Composition as on 31st March, 2022:

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

Category	Name of Directors
Promoter Directors	# Shri Paul Oswal - Chairman
	# Sachit Jain - Non- Executive & Non-Independent Director
	# Suchita Jain - Non- Executive & Non-Independent Director
Executive Non-Independent Director	Bal Krishan Choudhary - Managing Director
Independent Directors	Munish Chandra Gupta Sanjit Paul Singh Surinder Kumar Bansal Apinder Sodhi

Relationship Inter-se:

Except Mr. Shri Paul Oswal, Mrs. Suchita Jain and Mr. Sachit Jain, none of the Directors of the Company is related to any other Director of the Company.

ii. Board Meetings:

During the Financial Year 2021-22, the Board met 4 times on the following dates:

- 8th May, 2021
- 27th July, 2021
- 23rd October, 2021
- 19th January, 2022

III. Attendance of the Directors at the Board Meetings during the year and at last Annual General Meeting of the Company and also the number of other Directorship/Chairmanship in Indian Public Limited Companies and names of other Listed Entities where the person is director and category of directorship therein are as follows:-

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorships in other Companies	Names of other Listed Entities where the person is director	Category of Directorship in other listed entities	No. of Committee memberships in other Companies	Total No. of Board Chairmanship in other Companies	Total No. of Committee Chairmanship in other companies
Shri Paul Oswal	4	No	6	Vardhman Textiles Limited Vardhman Holdings Limited	Executive Director Executive Director	3	3	3
Suchita Jain	4	No	9	Vardhman Textiles Limited Vardhman Special Steels Limited Vardhman Holdings Limited	Executive Director Non-Executive Director Non-Executive Director	6	1	1
Bal Krishan Choudhary	4	Yes	2	Vardhman Special Steels Limited	Non-Executive Director	1	-	-
Sachit Jain	1	No	8	Vardhman Textiles Limited Vardhman Holdings Limited Vardhman Special Steels Limited	Non - Executive Director Non - Executive Director Executive Director	2	-	-
Apinder Sodhi	4	No	1	Vardhman Holdings Limited	Non-Executive Director	2	-	2
Surinder Kumar Bansal	3	No	2	SAB Industries Limited Steel Strips Infrastructures Limited	Non-Executive Director Non-Executive Director	-	-	-
Munish Chandra Gupta	4	Yes	1	Bhansali Engineering Polymers Limited	Non-Executive Director	1	1	1
Sanjit Paul Singh	4	Yes	-	-	-	-	-	-

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

3. BOARD COMMITTEES:

i. Board Committees, their composition and terms of reference are provided as under:

NAME OF COMMITTEE	COMPOSITION	TERMS OF REFERENCE
Audit Committee	Sanjit Paul Singh (Chairman) Munish Chandra Gupta Apinder Sodhi	<ul style="list-style-type: none"> The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Nomination and Remuneration Committee	Munish Chandra Gupta(Chairman) Shri Paul Oswal Surinder Kumar Bansal	<ul style="list-style-type: none"> The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Formulated and recommended Nomination and Remuneration Policy. The Nomination & Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) of the Companies Act, 2013. <p>Nomination and Remuneration Policy of the company forms part of the Board Report as Annexure I</p>
Corporate Social Responsibility Committee	Sachit Jain (Chairman) Bal Krishan Choudhary Munish Chandra Gupta	<ul style="list-style-type: none"> Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to provisions of Schedule VII of the Companies Act, 2013 read with CSR Rules, 2014. The CSR policy may be accessed on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate_Social_Responsibility_Policy.pdf Recommends expenditure to be incurred for CSR activities/ project and ensures effective monitoring of CSR policy of the Company from time to time. The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as Annexure III.
Stakeholders' Relationship Committee	Munish Chandra Gupta (Chairman) Bal Krishan Choudhary Surinder Kumar Bansal	<ul style="list-style-type: none"> The Committee reviews and ensures redressal of investor grievances. The Committee noted that during the year, the Company received 3 complaints from Investors and the same had been duly resolved by the Company.

Mr. Satin Katyal, Company Secretary and Compliance Officer of the Company is the Secretary of all Board Committees constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ii. Meetings of Board Committees held during the year and Director's attendance:

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders Relationship
Meetings held	4	2	1	1
Shri Paul Oswal	N.A.	N.A.	0	N.A.
Sachit Jain	N.A.	0	N.A.	N.A.
Suchita Jain	N.A.	N.A.	N.A.	N.A.
Munish Chandra Gupta	4	2	1	1
Sanjit Paul Singh	4	N.A.	N.A.	N.A.
Apinder Sodhi	4	N.A.	N.A.	N.A.
Surinder Kumar Bansal	N.A.	N.A.	1	1
Bal Krishan Choudhary	N.A.	2	N.A.	1

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

iii. Meeting of Independent Directors:

A meeting of Independent Directors of the Company for the Financial Year 2021-22 was held on 24th March, 2022 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

Performance Evaluation

The performance evaluation of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole, was done by Independent Directors by way of discussions on their performance.

A policy on the performance evaluation of Independent Directors, Board, Committees and other Individual Directors which includes criteria for performance evaluation of non-executive directors and executive directors has been formulated by the Company.

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and as per the Nomination and Remuneration Policy, the Board of Directors/Independent Directors/ Nomination & Remuneration Committee ("NRC") (as applicable) had undertaken an evaluation of the Board's own performance, the performance of its Committees and of all the individual Directors including the Chairman of the Board of Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

Familiarization programme for Independent Directors

The details of the Familiarisation Programme conducted for the Independent Directors of the Company are available on the Company's website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Familisation_program_for_Board_Members.pdf

iv. Core Skills/ Expertise/ Competencies available with the Board:-

The Board comprises of highly qualified members who possess required skills, expertise and competence that allow them to make effective contributions to the Board and its Committees.

The table below summarizes the key attributes and skills matrix considered necessary for effective functioning of the Company and are currently available with Board:

Name of Director	Area of Expertise
Shri Paul Oswal	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience

Name of Director	Area of Expertise
Sachit Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Suchita Jain	Strategic Planning Leadership Industry Experience Financial Expertise Administrative Experience
Bal Krishan Choudhary	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Sanjit Paul Singh	Strategic Planning Leadership Financial Expertise
Munish Chandra Gupta	Strategic Planning Leadership Administrative Experience
Surinder Kumar Bansal	Strategic Planning Leadership Financial Expertise
Apinder Sodhi	Strategic Planning Leadership

4. DIRECTORS' REMUNERATION:

i) Managing Director:

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

A detail of remuneration paid to the Managing Director during the Year 2021-22 is as given below:

₹ in lakhs

Name	Bal Krishan Choudhary
Designation	Managing Director
Salary	83.28
Perquisites & Allowances	3.47
Retirement Benefit	
Commission	17.34

₹ in lakhs

Name	Bal Krishan Choudhary
Performance Linked Incentive	-

The tenure of office of Mr. B.K Choudhary is 5 (five) years from the date of his appointment and can be terminated by either party by giving three months notice in writing. There is no separate provision for the payment of Severance Fees.

ii) Non-Executive Directors:

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

During the year, the sitting fees payable to Independent Directors has been increased from ₹ 25,000/- to ₹ 40,000 /- per Board Meeting and from ₹ 20,000/- to ₹ 30,000/- per Committee Meeting w.e.f. 23rd October, 2021.

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

S. NO.	NAME OF DIRECTOR	SITTING FEE (₹)
1.	Munish Chandra Gupta	3,70,000
2.	Sanjit Paul Singh	2,60,000
3.	Apinder Sodhi	2,60,000
4.	Surinder Kumar Bansal	1,95,000

5. SHAREHOLDING DETAIL OF DIRECTORS AS ON 31.03.2022:

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

S. NO.	NAME OF DIRECTOR	NUMBER OF SHARES HELD
1.	Shri Paul Oswal	10
2.	Sachit Jain	10

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

6. GENERAL BODY MEETINGS:

- i. The details of Annual General Meeting & No. of Special Resolutions passed during last three financial years are as follows:

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
31 st Annual General Meeting for financial year ended 31 st March, 2021.	Tuesday, 28 th September, 2021 at 04:30 p.m.	Through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	-
30 th Annual General Meeting for financial year ended 31 st March, 2020.	Tuesday, 29 th September, 2020 at 10:30 a.m.	Through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)	3
29 th Annual General Meeting for financial year ended 31 st March, 2019.	Monday, 30 th September, 2019 at 12:00 noon.	Regd. Office, Chandigarh Road, Ludhiana- 141010.	-

(ii) **Postal Ballot:**

During the year, no resolution was passed through postal ballot. There is no immediate proposal for passing any resolution through postal ballot in financial year 2022-23.

[Information/Policies/Vardhman%20Acrylics%20Ltd/Vigil_Mechanism_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Ltd/Vigil_Mechanism_Policy.pdf)

7. DISCLOSURES:

- i. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company’s website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Related_Party_Transactions_Policy.pdf
- ii. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
- iii. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on “Vigil Mechanism and Whistle Blower” may be accessed on the Company’s website at the link: https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Ltd/Vigil_Mechanism_Policy.pdf
- iv. The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v. The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- vi. During the year, no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- vii. Risk Management Policy as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity.
- viii. Further, the Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company may also take up the non-mandatory requirements of the Listing Regulations in due course of time.
- ix. The Company has no material subsidiary. The policy for determining ‘material’ subsidiary is available at

Company's website at the link https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Material_Subsiary_Policy.pdf

- x. As on March 31, 2022, there was no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.
- xi. During the year 2021-22, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports. The details of foreign currency exposure are disclosed in the Note No. 42 to the Financial Statements.
- xii. During the year, the Company has not raised any funds through preferential allotment or qualified institutional placement.
- xiii. A certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority, forms part of this report.
- xiv. There is no such instance where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required.
- xv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/Company of which statutory auditor is part is ₹ 4.45 lakhs.

8. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers and by filing of various reports and returns with the Statutory Bodies like Stock Exchange and the Registrar of Companies. The Quarterly Financial Results are published in prominent daily newspapers viz., "Business Standard" and "Desh Sewak". The Financial Results of the Company are also made available at the Company's website i.e. www.vardhman.com.

GENERAL INFORMATION FOR SHAREHOLDERS

i) 32nd Annual General Meeting:

Date	: 30 th September, 2022
Time	: 03:00 p.m.
Venue	: Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

ii) Financial Calendar 2022-23 (Tentative)

First Quarter Results	: July, 2022
Second Quarter Results	: October, 2022
Third Quarter Results	: February, 2023
Annual Results	: May, 2023

iii) **Dates of Book Closure** : 20th September, 2022 to 30th September, 2022 (both days inclusive)

iv) **Dividend payment date** : The Board of Directors has not recommended dividend for the Financial Year 2021-22

v) **Listing** : The securities of the Company are listed on:-

National Stock Exchange of India Limited (NSE),
"Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai."

Listing fee, as applicable, has been duly paid to the Stock Exchange.

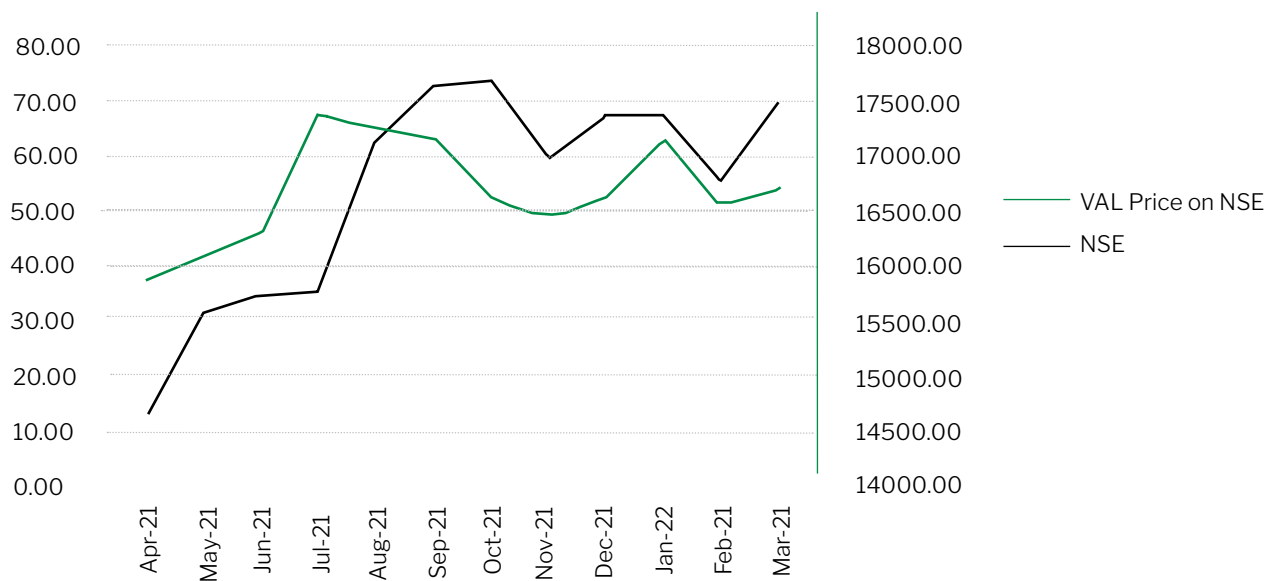
vi) Stock Code:

- National Stock Exchange of India Limited : VARDHACRLC

vii) Stock Market Data:

The month-wise highest and lowest and closing stock prices of NSE during the Financial Year 2021-22 are given below:

Financial Year 2021-2022	Share prices of the Company on NSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	% change over last month's closing
April'21	38.00	33.75	37.00	0.95
May'21	49.80	37.45	42.15	13.92
June'21	50.40	42.10	46.25	9.73
July'21	71.80	46.10	66.95	44.76
August'21	84.20	61.10	64.70	-3.36
September'21	71.90	60.10	63.00	-2.63
October'21	83.60	51.00	52.15	-17.22
November'21	57.95	46.95	49.00	-6.04
December'21	56.00	48.00	52.75	7.65
January'22	72.40	52.30	62.50	18.48
February'22	63.85	47.05	51.50	-17.60
March'22	56.95	47.20	53.75	4.37

viii) Performance of the Company in Comparison to Broad Based Indices:**NSE:**

ix) Information regarding dividend payment:

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') dividends not encashed / claimed within seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

The unclaimed or unpaid dividend relating to the Financial Year 2014-15 is due for remittance in the month of October, 2022 to IEPF.

Further, as per IEPF Rules, the shares in respect of which dividend has not been paid or claimed by shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority. The Company has sent notice to all shareholders whose shares are due to be transferred to the IEPF Authority and has also published requisite advertisement in the newspaper in this regard.

The details of these shares are also provided on the website of the Company at www.vardhman.com.

x) Registrar & Transfer Agent:

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s. MCS Share Transfer Agent Limited at the address given below:

M/s. MCS Share Transfer Agent Limited

CIN: U67120WB2011PLC165872

K-215, 2nd Floor, Ansa Industrial Estate

Saki Vihar Road, Saki Naka, Andheri (E), Mumbai-400072

Phone Numbers: 022-28476021/6022,

Email id: subodh@mcsregistrars.com, helpdesk@mcsregistrars.com

xi) Share Transfer System:

With effect from April 1, 2019, SEBI has mandated that no share can be transferred by the Company in physical mode. Accordingly, the Company has stopped accepting any fresh lodgement for transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialize their holding in the Company. The procedure for dematerialisation of shares is available on the website of the Company.

The shares of the Company are traded on the Stock Exchange compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) of the Company is **INE116G01013**.

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

RANGE	SHAREHOLDERS		SHARES		
	No. of Shares	Numbers of Total Holders	% to Total Holders	Numbers of shares Held	% to Total Shares
Upto-500		20190	80.30	2818249	3.51
501-1000		2489	9.89	2147872	2.67
1001-2000		1110	4.41	1792712	2.23
2001-3000		424	1.69	1118380	1.39
3001-4000		190	0.76	692552	0.86
4001-5000		231	0.92	1122212	1.40
5001-10000		267	1.06	2084316	2.59
10001 and Above		243	0.97	68587453	85.35
TOTAL		25144	100.00	80363746	100

xiii) Dematerialisation of shares:

On 31st March, 2022, 99.99% of the capital comprising 8,03,62,326 shares, out of total of 8,03,63,746 shares, was dematerialized.

xiv) Plant Location:

755, GIDC, MEGA ESTATE,
Jhagadia - 393110,
Distt. Bharuch, Gujarat.

xv) Address for correspondence:

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

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP).

xvi) List of credit ratings:

Particulars	Rating during FY 2021-22
Long Term Bank Facilities	CRISIL AA/ Stable (Reaffirmed)
Short Term Bank Facilities	CRISIL A1+ (Reaffirmed)

CHAIRMAN'S DECLARATION

- A. I, S.P. Oswal, Chairman of Vardhman Acrylics Limited, declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2022.

Place: Ludhiana
Dated: 16th May, 2022

Sd/-
S.P. Oswal
Chairman

- B. I, S.P. Oswal, Chairman of Vardhman Acrylics Limited, on behalf of the Board of Directors of the Company, hereby confirm that the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

Place: Ludhiana
Dated: 16th May, 2022

Sd/-
S.P. Oswal
Chairman

CERTIFICATE FROM PRACTISING COMPANY SECRETARIES

This is to certify that on the basis of documents verified by us and explanations given to us by the Company, we hereby certify that none of the following directors on the Board of Vardhman Acrylics Limited ('the Company') have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any other Statutory Authority:

S. NO.	Director Identification Number	Name of Director
1.	00121737	Mr. Shri Paul Oswal
2.	00746409	Mr. Sachit Jain
3.	00746471	Mrs. Suchita Jain
4.	00307110	Mr. Bal Krishan Choudhary
5.	00619284	Mr. Sanjit Paul Singh
6.	00165583	Mr. Surinder Kumar Bansal
7.	01362556	Mr. Munish Chandra Gupta
8.	06642994	Mrs. Apinder Sodhi

This certificate is issued pursuant to Clause 10 (i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sd/-
Ashok Singla

Proprietor

Membership No. 2004

Certificate of Practice No. 1942

UDIN: F002004 D000 324546

Date: 16th May, 2022

Place: Ludhiana

CORPORATE GOVERNANCE CERTIFICATE

To
The Members of
Vardhman Acrylics Limited

We have examined relevant records of M/s Vardhman Acrylics Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31st March, 2022 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedure and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Date: 16th May, 2022
Place: Ludhiana

Sd/-
Ashok Singla
Proprietor
Membership No. 2004
Certificate of Practice No. 1942
UDIN: F002004 D000 324513

Business Responsibility Report

About the Company

Vardhman Acrylics Limited (VAL) is a subsidiary of Vardhman Textiles Limited. It made a beginning by setting up a plant to manufacture Acrylic Fiber & Acrylic Tow in 1999.

The plant was initially set up with a capacity of 18000 TPA which now stands at 22000 TPA.

VAL's products are marketed under the brand name "VARLAN®" and are widely used for manufacture of winter wear such as sweaters, woolen fabric, technical textiles such as non-wovens and carpets etc.

About This Report

The Securities and Exchange Board of India (SEBI) as per its (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE LIMITED (BSE) and National Stock Exchange of India Ltd. (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of those 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI. Detailed Business Responsibility Report for 2021-22 (available at: www.vardhman.com) is based on the 9 Principles enshrined in the NVGs.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L51491PB1990PLC019212
2. Name of the Company: Vardhman Acrylics Limited
3. Registered address: Vardhman Premises, Chandigarh Road, Ludhiana- 141010.
4. Website: www.vardhman.com

5. E-mail id: secretarial.lud@vardhman.com
6. Financial Year reported: 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise): Textiles, NIC Code 131
8. List three key products/services that the Company manufactures/provides (as in balance sheet): Acrylic Fiber
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5): Nil
 - (b) Number of National Locations: The Company has one manufacturing unit at Bharuch, Gujarat.
10. Markets served by the Company – Local/State/National/International: National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): ₹ 80.36 crore
2. Total Turnover (INR): ₹ 303.33 crore
3. Total profit after taxes (INR): ₹ 14.56 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 6.50%
5. List of activities in which expenditure in 4 above has been incurred:
 - a. Promoting Education
 - b. Promoting Healthcare
 - c. Rural Development Projects

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s): Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR: The Board Business Responsibility Committee is responsible for the implementation of the BR policies.

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

1. DIN Number: 00307110
2. Name: Mr. Bal Krishan Choudhary
3. Designation: Managing Director

(b) Details of the BR head

S. No.	Particulars	Details
1	DIN number	00307110
2	Name	Bal Krishan Choudhary
3	Designation	Managing Director
4	Telephone number	0124-4981600
5	Email id	choudharybk@vardhman.com

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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.)	Do you have policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.)	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.)	Does the policy conform to any national / international standards? If yes, specify?	N	Y ISO 14001:2015 OHSAS 18001:2007	Y OHSAS 18001:2007	Y OHSAS 18001:2007	Y OHSAS 18001:2007	Y ISO 14001:2015 OHSAS 18001:2007	N	Y	N
4.)	Is it a board approved policy? If yes, has it been signed by MD /owner /CEO /appropriate Board Director?	Y	Y	Y	Y	N	Y	N	Y	N
5.)	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N	Y	N
6.)	Indicate the link for the policy to be viewed online	Various policies of the Company are available on the website of the Company at https://www.vardhman.com/Investors/CompanyInformation								
7.)	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.)	Does the company have an in-house structure to implement the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.)	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders' grievances related to the policy?	Y	Y	Y	Y	Y	Y	N	Y	Y
10.)	Has the company carried out independent audit /evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N	Y	N

(b) If answer to the question at serial number 1 against any principal, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within the next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

N.A.

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year – Annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, The hyperlink for viewing the same is https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Acrylics%20Ltd/BRR_2021-22.pdf. It is published annually in annual report.

Nomination & Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. The Committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken.

Code of Conduct: VAL has its Code of Conduct which extends to all directors and senior employees of the Company which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws. All senior employees have to read and understand this code and agree to abide by it.

The Code of Conduct is available at the company's website link https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Code_of_Conduct_for_Directors_and_Senior_Management.pdf under the title '**Policies- Code of Conduct.**'

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Corporate Governance for Ethics, Transparency and Accountability

We are committed to adopting the best corporate governance practices as manifested in the Company's functioning to achieve business excellence by enhancing the long-term shareholder's value. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices being followed at VAL.

The Composition of the Board of Directors of the Company is governed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2022, the Company has 8 directors on its board (including the Chairman), of which 4 are independent, 1 is non-independent, 3 are non-executive non-independent directors.

To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee,

Vigil Mechanism/ Whistle Blower Policy: The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Uniform Listing Agreement aims to provide a channel to the Employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy. The mechanism provides for adequate safeguards against victimization of Employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism/ Whistle Blower Policy is available at the Company's website link https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Vigil_Mechanism_Policy.pdf under the title '**Policies- Vigil Mechanism.**'

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

The Sustainable Business Model and the framework driving towards identifying and implementation of strategies that add value to the lives of numerous people linked, directly or indirectly, with the organization is a core strength of VAL. The image of Vardhman Group and its position in the society has been developed by proactively and effectively fulfilling our responsibility towards the world around us. The three facets of sustainability namely – social, environmental and economic play a pivotal role in formulating our plan of action. A blueprint developed in compliance with national and international norms for the industry, emphasizing on initiatives towards Sustainable growth and development maps our journey.

The Company works with a long-term perspective, objectivity and apt understanding of the impact of choices made. VAL's Sustainability Drive, backed with innovation and untiring efforts, is one of several initiatives to broaden the perspective towards Sustainable development.

Responsible Sourcing of Raw Material and Services

Major Raw material for making Acrylic Fiber is Acrylonitrile and Vinyl Acetate Monomer. These raw materials are chemicals and are derivatives of Crude Oil. Both of these Raw Material are imported.

These raw materials constitute a large part of finish goods cost. Decision of purchase is made after a thorough understanding of the underlying factors of international demand and supply of Crude oil and its derivatives. In fact, the team continuously tracks such factors and builds dynamic short to medium term strategy.

While procuring these raw materials we ensure that all applicable international laws and regulations are complied with including those relating to international trade (such as those relating to sanctions and export controls), safe shipping and receipt at Indian ports.

The raw materials are sourced only from well-established manufacturers or trading houses whom we consider as being sufficiently quality conscious and careful about their responsibilities and obligations of international rules etc related to the sale, purchase and transportation of these items.

Reputed international surveyors are appointed to supervise and monitor the loading of Acrylonitrile and Vinyl Acetate Monomer into shipping vessel and discharge into shore tank in India. The surveyor ensures that loading and discharge are done in conformance with the internationally accepted

standard of safety. Surveyor also supervise the loading of Acrylonitrile from Shore tank to road tankers and ensures that best practices are followed.

Most of the material handling contracts have been awarded to contractors who employ local labor which lives within short distance of factory as an additional support to society.

Impurities in raw material are amongst the main constituents of effluents and wastes generated during the process of manufacture. We select our raw material sources with special emphasis on quantum and type of impurities in them. By purchasing high purity chemicals, which might cost us additional, we are able to reduce waste generation and pollutant load in our effluent contributing towards environment protection. Further we prefer to buy or import hazardous inputs from nearby sources or ports to reduce risk during transportation.

Product Recycling and Waste

Due to use of better quality raw materials and good upkeep of equipment and strict adherence to process related protocols, Company has been able to operate with Zero Waste generation of finished products. A small quantity of lower quality finished goods are sold for use in lower value end products with loss of some aesthetic and functional aspects of products while process waste which gets generated during manufacture is recycled and reprocessed within the factory. Unprocessable waste only is disposed off to SPCB authorised waste buyers and/ authorised waste disposal sites for such materials.

Rural Development

The spirit of India lies in its villages and without the development of rural India, the growth of the Country can only be partial. Our factory is located in close proximity of villages. VAL works closely with stakeholders like Local Industries Association, Village Gram Panchayat, Taluka Panchayat Authorities to assess their needs and for undertaking rural development projects under CSR initiatives of Unit. Our emphasis remains on building long lasting assets for use by local village population and on children education, healthcare & women welfare. We constantly strive to offer healthcare facilities, education, hygienic living conditions and ample opportunities to people living in villages. VAL has constructed number of Aanganwadis, School Infrastructure like class rooms, provided support to Hospitals to buy equipment, instruments and ambulances in surrounding villages.

VAL complies with the norms prescribed on employment by government of Gujarat.

In addition, in last several years we had completed/ contributed in various rural development projects like construction of Toilets under Swachh Bharat Abhiyan, contribution given for Sujalam-Sufalam Yojna by CM- Gujarat for rain water harvesting, constructed community halls in villages for community usages, encouraging local community based cultural programmes and festivals with sponsorship contribution.

WATER

Water being one of the most precious and critical resource of nature remain our major priority in terms of sustainability. The fresh water requirement is drawn from Narmada Water System set up for the entire Jhagadia Industrial Estate by Gujarat Industrial Development Corporation (GIDC). With focussed efforts and commitment to sustainability, water consumption has been reduced significantly over the years since the commissioning of the plant. A part of water requirement is met through recycling of the waste water. The water treatment plant of the Company is designed to deliver soft water and demineralised water of required for use in the process.

Waste Water Treatment

We have installed Effluent Treatment Plants (Primary, Secondary & Tertiary treatment) for treatment of process effluent and sewage water, which utilises advance technology meeting the norms prescribed by Central and State Pollution Control Boards. The treated water is mainly discharged to a common effluent pipe line for marine discharge. This pipeline and related facilities are owned and operated by a Company which is a joint venture of Gujarat Industrial Development Corporation and the member industries of Jhagadia Industrial Estate.

Water Recycle and Reuse

We have installed 3 stage RO Plant along with MEE & ATFD to treat a part of our effluent. RO treated water is reused in the factory for manufacturing process. The recovery rate through RO & MEE is high as a result of good design and efficient operations. The solids recovered from ATFD are disposed of at government authorized TSDF site at Ankleshwar. This helps reduce our requirement of fresh raw water.

ENERGY CONSERVATION

Process Steam and Electricity are major energy requirements for our industry and we keep looking for measures to make optimum use of energy. With an approach for “Less input, more output”, we constantly strive to minimize the energy consumption and maximize the output.

We keep investing regularly in energy-efficient technologies to improve energy security. With an emphasis on energy conservation, we have successfully achieved lower energy consumption per unit of production with persistent efforts since commissioning of the plant.

Some of the major initiatives towards energy conservation undertaken by us are:

1. Shifting of capacitors at tail end of the long feeders with new APFC panels.
2. Replacing repeatedly rewound motors with new efficient motors.
3. Study and procurement & Installation of new pumps with high efficiency in new applications.
4. Optimisation of air circulation in process line dryers for power saving.
5. Speed reduction in Boiler feed water pump with existing VFD without impacting operations.
6. Proper distribution of compressed air in the process line.

AIR

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

- Operation controls with proper preventive schedule in area of particulate matter emission in boiler area.
- Tree plantation and maintaining greenery within the factory. A green belt of about 15 acre land with about 1.60 Lac trees has been developed within the factory premises.

Principle 3: Employee Well-being

In a world where everything else is equal, human effort makes all the difference. We place immense value on our workforce and consider it our biggest and most valuable asset. At VAL, we have a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. Our people own their jobs and not just perform them.

We continuously strive to improve quality of work-life for job satisfaction and social harmony for the employees.

1. Total number of employees. – 309 (permanent employees)
2. Total number of employees hired on temporary/contractual/casual basis. – 121
3. Number of permanent women employees. – 1 (does not include contractor female employees)
4. Number of permanent employees with disabilities- 3
5. Do you have an employee association that is recognized by management? Yes
6. What percentage of your permanent employees is members of this recognized employee association ? – approx. 47%
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - (a) Permanent Employees- 87%
 - (b) Permanent Women Employees- 100%
 - (c) Casual/Temporary/Contractual Employees- 86%
 - (d) Employees with Disabilities- 100%

Principle 4: Stakeholder Engagement

VAL recognizes employees, local communities surrounding our operations, business associates (network of suppliers, transporters, contractors etc), customers and shareholders/ investors as our key stakeholders.

VAL identifies communities (with a special focus on women and children from these communities) around our manufacturing facility as disadvantaged, vulnerable & marginalized stakeholders.

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

Stakeholder group	Initiatives
Employees	Our Employee policies safeguard employees against any kind of discrimination based on caste, creed, religion, geography, or social background, gender, age, family status, citizenship, disability, etc. We believe in continuous people development through investment in the training & development of our employees even in adverse business times.
Local Communities around our manufacturing Locations	Development and deployment of need-based community programs in the areas of health, education, skill development, sanitation, livelihood etc. as part of Corporate Social Responsibility (CSR) initiatives.

Stakeholder group	Initiatives
Business associates	We remain engaged with our vendors and equipment suppliers to remain updated about technologies and raw materials with a view to update our plant with safer, modern, more efficient and environment friendly equipment and processes.
Customers	<p>Direct engagement with customers and providing technical advice to them for improving operational efficiency. This helps our customers to improve their performance and remain competitive in industry.</p> <p>We share information about new products and technical developments at our end with our customers so as to enable them develop new solutions and products for their customers. We treat our customers as extended arms of VAL.</p> <p>We remain continuously engaged with customers to understand their changing needs and support them in smooth usage of our products and problem solving through a partnership approach has helped us forge long lasting relationships with our customers.</p>

Principle 5: Human Rights

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

We have placed grievance redressal mechanisms at our manufacturing unit and offices and try to ensure a harassment free work environment along with workplace health and safety. Our Human Resources Team is available in the plant round the clock to take care of and ensuring the basic amenities to workers. Communication meetings between workers and senior officials are regularly conducted to redress the grievance of workers and maintain harmonious relations between the management and workers.

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

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

Principle 6: Protection and Restoration of the Environment

1. VAL has implemented stringent standards and policies for Environment, Health and Safety in its manufacturing unit.
2. Changes in climatic conditions, issues like global warming and degradation of environment owing to over exploitation of resources are threats to existence of life on the planet. VAL recognizes these realities and is sensitive towards creation of sustainable products and

manufacturing processes at its facility. A dedicated team works continuously at identifying opportunities to make our operations more and more environment friendly and sustainable. In our endeavor to protect and restore environment, following steps have been initiated:

- a) Treatment of effluent: We have established independent state of the art ETP in the unit to treat the effluent meeting the norms prescribed by Central and State Pollution Control Boards.
- b) Facility installed for recycling and reuse of a 400 KLD effluent through RO process.
- c) Disposal of solid waste generated at the units is done only through authorized disposal facilities.
- d) Passing the boiler flue gases through filter bags, ESP's.

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

3. We accord first priority to safety of human lives. Visitors as well as employees are given safety instructions before entering the premises/ work station to ensure workplace safety and minimize the probability of accidents.
4. All the hazardous waste generated is stored and maintained as per the statutory requirements. Unit has facilities for proper management of e-waste, medical

waste, spent oil and ETP sludge. The disposal of such waste is carried out through GPCB authorized recyclers.

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

Energy Conservation: Optimum utilization of resources as a principle is ingrained in all the processes at VAL. Energy conservation initiatives for reduction in steam and power consumption and wastage, and increasing efficiency are at place.

Reduction in water usage: Recycling of 400 KLD effluent through RO purification and re-use in process and utility results in reduction in the amount of usage of fresh water. For a limited natural resource like fresh water, conservation is a primary responsibility of the human kind. We make our contribution by regular metering, monitoring and controlling its consumption.

Reduction in Office waste: Our initiative to reduce waste generation at our offices include optimization of water pipeline pressure in washrooms to minimize usage of water, printing on both sides of paper and generating awareness in employees to shift to paperless office model.

Reduce Food waste: Daily monitoring and on food waste quantity in our unit canteen is always in focus. We regularly sensitize employees to not leave any leftover food in their plate. The cooking staff is trained and encouraged to estimate the food requirement based upon attendance so as to reduce food wastage at the first stage itself.

Awareness Programs: To spread awareness about environmental protection measures, every year we celebrate Environment Day followed by tree plantation, Environment Week followed by different awareness programs.

Plantations: Plantation drives are carried out every year by us. To increase the green area within and around our unit, we maintain about 1.60 lakh plants currently.

6. The emissions at our unit are within the permissible limits of State and Central Pollution Control Boards.
7. No legal action has been initiated against VAL for any violation of any environment related rules or provisions.

Principle 7: Responsible Advocacy

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

- a. Jhagadia Industries Association
- b. Narmada Clean Tech (An industry and GIDC joint venture Company for responsible disposal of treated effluent)
- c. Forum of Acrylic Fiber Manufacturers
- d. The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)

We are represented indirectly through our holding Company in following associations:

- a. Confederation of Indian Industries (CII)
- b. Federation of Indian Chamber of Commerce and Industries (FICCI)
- c. PHD Chamber of Commerce and Industries (PHDCCI)

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

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

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

Principle 8: Supporting Inclusive Growth and Equitable Development

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

A number of CSR programs are pursued within close proximity to our units to enable supervision and maximize the impact of these developmental activities. While we equally participate in offering services for national causes, an emphasis is laid on ensuring that the intended effect of the initiatives taken is received. Programs under this principle are developed and executed by:

a) Trusts

Community development initiatives are performed by inducing trusts and organizations dedicated for the cause. Close monitoring for the optimum utilization of resources invested helps in ensuring positive outcome from such drives.

b) Other organizations

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

c) Women Empowerment and the Right to Equal Opportunity

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

d) Impact Assessment

VAL, in order to ensure that the benefit of CSR initiatives reaches the people who need to be supported, internally performs an impact assessment at the end of each financial year. This assessment helps us in understanding the efficacy of the programs in terms of delivering desired benefits to the community and gaining insights for improving the design and impact of future initiatives.

The Company has spent an amount of ₹ 94.67 lakhs during the financial year 2021-22 towards CSR related activities. The details of projects undertaken is given in Annexure III of Board's Report.

We strive to continuously engage with surrounding communities and offer aid by understanding the problems being faced. Regular meetings and surveys are carried out to gauge the needs, priorities and expectations of local community. Initiatives to be adopted are designed and delivered in a transparent manner, considering the inputs from the residents of the locality.

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

Principle 9: Providing Value to Customers and Consumers

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

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

1. No Pending customer complaints at the end of the financial year.
2. We disclose all the information to our customers so as to enable customers to make an informed decision. We also disclose the information on product packing as required under the law.
3. During the last five years, no cases have been filed by any stakeholders against the Company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behavior.
4. As part of our stakeholder engagement strategy, VAL engages with its customers and obtains feedback at regular intervals through internal as well as external agencies to know the customer satisfaction level as well as their expectations about improvement in VAL's products so that necessary steps may be taken to enhance the same.

The background is a solid green color. A large, thin white circular arc is positioned in the upper half of the image, curving from the left side towards the right. The text 'Financial Statements' is centered in the lower half of the image.

Financial Statements

Independent Auditors' Report

To the Members of
Vardhman Acrylics Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Vardhman Acrylics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained

is sufficient and appropriate to provide a basis for our audit opinion on the 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 Financial Statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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 Directors' Report including annexures, if any, thereon, (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the

financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book;
 - (c) The Balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with

the Companies (Indian Accounting Standards) Rules, 2015 as amended.

- (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 is disqualified as on 31st March 2022 from being appointed as a Director in terms of Section 164(2) of the Act ;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 financial statements. Refer Note 35 to the financial statement.
 - ii. The company did not have any long term contracts including derivatives 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 person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner

- whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 such audit procedures that we 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 (a) and (b) above contain any material misstatement.
- v. The dividend declared and paid by the Company during the year is in accordance with section 123 of the Act.
- (h) 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 company has paid/ provided for managerial remuneration to its director during the year in accordance with the provisions of section 197 of the Act.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner

Place: Ludhiana
Date: 16th May, 2022

M. No. 086066
UDIN: 22086066AJALIS3291

Annexure – “A”

Annexure – “A” to the Independent Auditors’ Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Vardhman Acrylics Limited of even date)

- (i) In respect of Company’s Property, Plant and Equipment and Intangible Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of use Assets.
- (b) The Company has adopted a policy of physical verification of all the items of property, plant and equipment so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The company has not owned immovable property, however where company is a lessee, the lease agreement has been duly executed in the name of the company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) Based on the information and explanations given to us, No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, physical verification has been conducted by management at reasonable intervals in respect of finished goods, stores and spares and raw material, Further, stock in the possession and custody of third parties and stock in transit as at 31st March 2022 has been verified by the management with reference to confirmation and statement of accounts or correspondence with the third party or subsequent receipt of goods. In our opinion, the frequency of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventory have been noticed on physical verification of inventories when compared with books of account.
- (b) The Company has been sanctioned unsecured (No security provided) working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year from banks. Therefore reporting under clause 3(ii) (b) of the Order is not applicable to the company.
- (iii) According to the information and explanations given to us, we report that the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, we report that the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans. Therefore reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year covered under the provisions of sections 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under and therefore reporting under clause 3(v) of the order is not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed cost records have been made

and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income tax, Service tax, Duty of Custom, Duty of excise, Value Added Tax, Cess, sales tax and other applicable statutory dues with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, cess and any other statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

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

Sr.no	Nature of Statue	Nature of Dues	Unpaid	Financial year to which it relates	Forum at which dispute is pending
1)	The Punjab VAT Act, 2005	VAT and CST	₹ 7.85	2016-17	VAT Tribunal, Punjab
2)	The Finance Act, 1994	Service tax	₹ 31.87	2005-06 To 2009-10 and 2016-17 to 2017-18	Assistant Commissioner/ Superintendent
3)	The Income Tax Act, 1961	Income Tax	₹ 78.38	2011-12 to 2014-15 and 2018-19 to 2019-20	ITAT & CIT(A)

- (viii) According to the information and explanations given to us and records of the company examined by us, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix) (a) According to the information and explanations given to us and records of the company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender. Therefore reporting under clause 3(ix)(a) of the Order is not applicable to the company.

- (b) According to the information and explanations given to us and on the basis of our audit procedure, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) According to the information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Therefore reporting under clause 3(ix)(c) of the Order is not applicable to the company.

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

- (e) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the Company. Therefore reporting under clause 3(ix)(e) of the Order is not applicable to the company.

- (f) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the company. Therefore reporting under clause 3(ix) (f) of the Order is not applicable.

- (x) (a) In our opinion and according to the information and explanations given to us and records of the company examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore reporting under clause 3(x)(a) of the Order is not applicable to the company.

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally

- convertible). Therefore reporting under clause 3(x)(b) of the Order is not applicable to the company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company has not received whistle blower complaints during the year. Therefore reporting under clause 3(xi)(c) of the Order is not applicable to the company.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore reporting under clause 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to information and explanations given to us, and based on our examination of the records of the company, the company has not entered into non-cash transactions with its directors or persons connected with him. Therefore reporting under clause 3(xv) of the order is not applicable to the company.
- (xvi) (a) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore reporting under clause 3(xvi)(a) of the Order is not applicable to the company.
- (b) Based on information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; and therefore reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) Based on information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and therefore reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore reporting under clause 3(xvi)(d) of the Order is not applicable to the company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability

of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) On the basis of examination of records of the company, There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than on-going projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) In respect of on-going projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance

with the provision of section 135(6) of the Act.

According to information and explanations given to us, there is no unspent amount in respect of on-going projects as at the end of current financial year.

- (xxi) The consolidated financial statements are not applicable to the company. Accordingly reporting under clause 3(xxii) of the Order is not applicable.

For **SCV & Co. LLP**
Chartered Accountants
Firm Reg. No.000235N/N500089

(Sanjiv Mohan)
Partner

Place: Ludhiana
Date: 16th May, 2022

M. No. 086066
UDIN: 22086066AJALIS3291

Annexure – “B”

Annexure – “B” to the Independent Auditors’ Report

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Vardhman Acrylics Limited 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 control over financial reporting of Vardhman Acrylics Limited (“the Company”) as of 31st March 2022 in conjunction with our audit of financial statements of company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting with reference to these financial statements 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”) 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 both issued by the Institute of Chartered Accountants of India. 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 with reference to these financial statements were 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these Financial Statements

A company’s internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 with reference to these financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the financial statement 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31st March 2022 based on the internal financial 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.

For **SCV & Co. LLP**

Chartered Accountants

Firm Reg. No.000235N/N500089

(Sanjiv Mohan)

Partner

M. No. 086066

UDIN: 22086066AJALIS3291

Place: Ludhiana

Date: 16th May, 2022

Balance Sheet

as at 31st March 2022

(All amounts in Rs lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 st March 2022	As at 31 st March 2021
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3a	4,467.63	4,735.68
(b) Right of Use Asset	3b	1,116.33	1,131.76
(c) Capital work-in-progress	3c	19.14	20.53
(d) Intangible Assets		-	-
(e) Financial Assets			
(i) Investments	4	5,639.13	5,319.80
(ii) Loans	5	5.83	5.63
(iii) Others financial assets	6	25.79	0.26
(f) Other non-current Assets	7	55.56	56.59
Total Non-current assets		11,329.41	11,270.25
2 Current assets			
(a) Inventories	8	7,684.89	6,419.92
(b) Financial Assets			
(i) Investments	9	7,763.62	17,867.04
(ii) Trade receivables	10	1,056.52	1,507.42
(iii) Cash and Cash Equivalents	11	146.55	1,857.47
(iv) Bank balances other than (iii) above	11A	389.56	8,359.10
(v) Loans	12	11.46	4.30
(vi) Other financial assets	13	12.61	365.44
(c) Other current assets	14	1,841.57	860.42
Total Current assets		18,906.78	37,241.11
TOTAL ASSETS		30,236.19	48,511.36
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	8,036.37	8,036.37
(b) Other Equity	16	13,195.38	31,800.88
Total Equity		21,231.75	39,837.25
Liabilities			
1 Non-current liabilities			
(a) Financial Liabilities			
Lease Liability	17	0.08	0.08
(b) Provisions	18	49.17	57.58
(c) Deferred tax liabilities (Net)	19	756.29	1,024.66
(d) Other non current liabilities	20	9.40	10.95
Total Non-current liabilities		814.94	1,093.27
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	278.40	35.78
(ii) Trade payables	22		
(A) total outstanding dues of micro enterprises and small enterprises		117.12	38.39
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4,613.99	4,103.58
(iii) Other financial liabilities	23	663.98	610.33
(b) Other Current liabilities	26	95.69	144.89
(c) Provisions	24	6.59	7.99
(d) Current tax liabilities (net)	25	2,413.73	2,639.88
Total Current liabilities		8,189.50	7,580.84
TOTAL EQUITY AND LIABILITIES		30,236.19	48,511.36
See accompanying notes to the financial statements	1 to 58		

As per our report of even date attached

For S C V & Co. LLP

Chartered Accountants

Firm Registration No.: 000235N/N500089

Sanjiv Mohan

Partner

Membership No.: 086066

Place: Ludhiana

Date: 16th May, 2022**Satin Katyal**

Company Secretary

Membership No.: A40578

Place: Ludhiana

Date: 16th May, 2022**Vivek Gupta**

Chief Financial Officer

Place: Gurugram

Date: 16th May, 2022**For and on behalf of the Board of Directors****B.K.Choudhary**

Managing Director

DIN:00307110

Place: Gurugram

Date: 16th May, 2022**S.P.Oswal**

Chairman

DIN: 00121737

Place: Ludhiana

Date: 16th May, 2022

Statement of Profit and Loss

for the year ended 31st March 2022

(All amounts in Rs lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31 st March 2022	For the year ended 31 st March 2021
I Revenue from operations	27	30,332.63	28,018.82
II Other income	28	1,439.57	1,537.10
III Total Income (I+II)		31,772.20	29,555.92
IV Expenses :			
Cost of materials consumed	29	23,663.78	16,618.97
Purchases of stock-in-trade	30	189.62	286.38
Changes in inventory of work-in-progress, stock-in-trade and finished goods	31	(745.31)	7.55
Employee benefits expense	32	1,593.82	1,632.59
Finance costs	33	39.03	53.02
Depreciation and amortization expenses	3a & 3b	541.51	541.53
Other expenses	34	4,746.72	4,705.09
Total Expenses (IV)		30,029.17	23,845.13
V Profit before tax (III-IV)		1,743.03	5,710.79
VI Income Tax expense:			
Current tax		555.45	1,450.59
Deferred tax		(268.37)	(31.46)
Total tax expense		287.08	1,419.13
VII Profit for the year (V-VI)		1,455.95	4,291.66
VIII Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) (i) Remeasurements of the defined benefits plans		21.35	20.48
(ii) Income tax relating to items that will not be reclassified to profit or loss		(5.37)	(5.16)
b) (i) Equity instruments through other comprehensive income		13.51	(12.48)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive income for the year		29.49	2.84
IX Total Comprehensive Income for the year (VII+VIII)		1,485.44	4,294.5
Earnings per equity share (amount in Rs) (of Rs. 10/- each)			
Basic (in Rs)		1.81	5.34
Diluted (in Rs)		1.81	5.34
See accompanying notes to the financial statements	1 to 56		

As per our report of even date attached

For S C V & Co. LLP

Chartered Accountants

Firm Registration No.: 000235N/N500089

Sanjiv Mohan

Partner

Membership No.: 086066

Satin Katyal

Company Secretary

Membership No.: A40578

Place: Ludhiana

Date: 16th May, 2022**Vivek Gupta**

Chief Financial Officer

Place: Ludhiana

Date: 16th May, 2022**For and on behalf of the Board of Directors****B.K.Choudhary**

Managing Director

DIN:00307110

Place: Gurugram

Date: 16th May, 2022**S.P. Oswal**

Chairman

DIN: 00121737

Place: Ludhiana

Date: 16th May, 2022

Statement of Cash Flows

for the year ended 31st March 2022

(All amounts in Rs lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		1,743.03		5,710.79
Adjustments for :				
Depreciation and Amortization expense	541.51		541.53	
Interest paid	4.88		37.34	
Interest income	(210.38)		(673.26)	
(Profit)/Loss on sale of investment (net)	(609.15)		(300.46)	
Gain on disposal of Property, Plant and Equipment	(4.58)		-	
Loss on discard of Property, Plant and Equipment	0.19		6.69	
Net Gain on fair valuation of investment at fair value through Profit or loss	(337.87)		(521.15)	
Foreign exchange (gain) or loss	1.78		20.50	
Bad debts/ Sundry balances written off	13.07		-	
Provisions no longer required written back	(58.10)	(658.65)	(27.64)	(916.45)
Operating profit before working capital changes		1,084.38		4,794.34
Adjustments for working capital changes:				
Decrease / (increase) in trade receivables	438.22		(557.02)	
Decrease/(increase) in loans	(7.36)		(7.44)	
Decrease/(increase) in other financial assets	(26.23)		2,231.67	
Decrease / (Increase) in other assets	(980.51)		306.98	
Decrease/(increase) in Inventories	(1,264.97)		(372.90)	
Increase/(decrease) in trade payables	589.14		(1,283.59)	
Increase/(decrease) in other financial liabilities	(19.49)		107.36	
Increase/(decrease) in other liabilities	27.02	(1,244.18)	71.97	497.03
Cash generated from operations		(159.80)		5291.37
Income taxes paid	(781.59)	(781.59)	(1,345.66)	(1,345.66)
Net cash generated from operating activities		(941.39)		3,945.71
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for Purchase of Property, plant and equipment	(258.82)		(50.89)	
Proceeds from sale of discarded assets	6.60		-	
Interest received	563.91		337.60	
Proceeds from sale of Investments in Mutual Funds/Liquid Funds/Debt Funds	12,094.50		6,045.14	
Payment for purchase of Investments in Mutual Funds/Liquid Funds/Debt Funds	(1363.44)		(12,409.34)	
Bank balances not considered as cash and cash equivalents	7,969.55		(2,180.02)	
Net cash flow from (used in) investing activities		19,012.30		(8,257.51)

Statement of Cash Flows

for the year ended 31st March 2022

(All amounts in Rs lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of short - term borrowings	-		(106.10)	
Proceeds from short - term borrowings	242.61		-	
Dividend paid to company's shareholders	(20,019.56)		-	
Interest paid	(4.88)		(4.27)	
Net cash from (or used in) financing activities		(19,781.83)		(110.37)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,710.92)		(4,422.17)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR #		1,857.47		6,279.64
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11) *		146.55		1,857.47

Rs. 1,847.47 Lakhs - Cash on Hand Rs.0.44 Lakhs, Balance with banks in current accounts Rs.559.04 Lakhs and balance with banks in deposit accounts with original maturity upto three months Rs. 1,297.99 Lakhs

Rs.6,279.64 Lakhs - Cash on Hand Rs.0.45 Lakhs, Balance with banks in current accounts Rs.179.19 Lakhs and balance with banks in deposit accounts with original maturity upto three months Rs. 6,100.00 Lakhs

* Rs.146.55 Lakhs - Cash on Hand Rs.0.52 Lakhs, Balance with banks in current accounts Rs.105.91 Lakhs and balance with banks in deposit accounts with maturity upto three months Rs.40.12 Lakhs

There are no non cash changes arising from financial activities

See accompanying notes to the financial statements

As per our report of even date attached

For S C V & Co. LLP

Chartered Accountants

Firm Registration No.: 000235N/N500089

Sanjiv Mohan

Partner

Membership No.: 086066

Place: Ludhiana

Date: 16th May, 2022

Satin Katyal

Company Secretary

Membership

No:-A40578

Place: Ludhiana

Date: 16th May, 2022

Vivek Gupta

Chief Financial Officer

Place: Gurugram

Date: 16th May, 2022

B.K.Choudhary

Managing Director

DIN:00307110

Place: Gurugram

Date: 16th May, 2022

S.P. Oswal

Chairman

DIN: 00121737

Place: Ludhiana

Date: 16th May, 2022

Statement of Changes in Equity

for the year ended 31st March 2022

(All amounts in Rs lakhs, unless otherwise stated)

a. Equity share capital

Particulars	Amount
Balance as at April 1, 2020	8,036.37
Changes in Equity Share Capital during 20-21	-
Balance as at March 31, 2021	8,036.37
Changes in Equity Share Capital during 21-22	-
Balance as at March 31, 2022	8,036.37

b. Other equity

Particulars	OTHER EQUITY						Total other equity
	Reserves & Surplus			Other comprehensive income			
	Capital reserve	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as of 1st April 2021	2,816.88	-	4,006.15	24,913.82	54.30	9.73	31,800.88
Profit for the Year			1,455.95				1,455.95
Other comprehensive income for the year (net of income tax)					13.51	15.98	29.49
Total Comprehensive Income for the year				1,455.95	13.51	15.98	1,485.44
Payment of dividend				(20,090.94)			(20,090.94)
Balance as of 31st March 2022	2,816.88	-	4,006.15	6,278.83	67.81	25.71	13,195.38

Statement of Changes in Equity

for the year ended 31st March 2022

(All amounts in Rs lakhs, unless otherwise stated)

b. Other equity (Contd.)

Particulars	OTHER EQUITY						Total other equity
	Reserves & Surplus			Items of other comprehensive income			
	Capital reserve	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as of 1st April 2020	2,816.88	-	4,006.15	20,622.16	66.78	(5.59)	27,506.38
Profit for the Year			4,291.66				4,291.66
Other comprehensive income for the year (net of income tax)					(12.48)	15.32	2.84
Total Comprehensive Income for the year				4,291.66	(12.48)	15.32	4,294.49
Payment of dividend							-
Payment of dividend distribution tax							-
Balance as of 31st March 2021	2,816.88	-	4,006.15	24,913.82	54.30	9.73	31,800.88

As per our report of even date attached

For S CV & Co. LLP

Chartered Accountants

Firm Registration No.: 000235N/N500089

Sanjiv Mohan

Partner
Membership No.: 086066

Place: Ludhiana

Date: 16th May, 2022

Satin Katyal

Company Secretary
Membership
No:-A40578

Place: Ludhiana

Date: 16th May, 2022

Vivek Gupta

Chief Financial Officer

Place: Gurugram

Date: 16th May, 2022

B.K.Choudhary

Managing Director
DIN:00307110

Place: Gurugram

Date: 16th May, 2022

S.P.Oswal

Chairman
DIN: 00121737

Place: Ludhiana

Date: 16th May, 2022

For and on behalf of the Board of Directors

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

1. Corporate Information

Vardhman Acrylics Limited (“the Company”) is a public limited company, incorporated under the provisions of The Companies Act and has its registered office at Vardhman Premises, Chandigarh Road, Ludhiana, Punjab, India. The equity shares of the company are listed on National Stock Exchange of India Limited.

The Company is a leading manufacturer and supplier of Acrylic Fibre and Tow having its manufacturing facility in Gujarat, India.

Vardhman Textiles Limited (Holding Co. of the entity) owns 70.74% of the company’s equity share capital as at 31st March 2022.

The Board of Directors approved the Financial Statements for the year ended 31st March, 2022 and authorised for issue on 16th May, 2022.

2. Significant accounting policies, significant accounting judgements, estimates and assumptions and applicability of new and revised Ind AS

Significant Accounting Policies

Note 2.1 Statement of Compliance

The financial statement prepared in accordance with Indian Accounting Standards (Ind AS), and the provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Note 2.2 Basis of preparation and presentation

The financial statements have been prepared on historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

The following assets and liabilities which have been measured at fair value:

- Derivative financial instruments

- Certain financial assets and liabilities measured at fair value.

Historical Cost

Historical cost is based on the fair value of the consideration given in exchange of goods and services.

Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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(All amounts in Rs. lakhs, unless otherwise stated)

- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

Accounting policies have been consistently applied except where in newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Functional and presentation currency

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except if otherwise stated.

Note 2.3 Significant Accounting Policies

(a) Revenue Recognition

The Company derives revenue primarily from sale of Acrylic Fibre and Tow.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, goods and services tax and amounts collected on behalf of third parties.

Revenue from the sale of goods is recognised at the point in time when control of goods are transferred to the customer which is usually on dispatch / delivery.

i. Sale of Acrylic Fibre including Traded goods

Revenue from the sale of goods is recognized as and when Acrylic fibre is sold. Revenue from the sale of Acrylic fibre and traded good are recognized when control of the goods has transferred to the buyer i.e. at the point of sale/delivery to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those

goods. Sale is net of sales returns, discounts and goods and services tax.

Revenue in respect of the export incentives is recognized on post export basis and it is reasonable to expect ultimate collection.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-5 days and 90 days against letter of credit from the shipment or delivery of goods or services as the case may be. The company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised good or service will be transferred to the customer within a period of one year.

ii. Interest income

- Interest Income from customers is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Other Interest Income is recognized using effective interest rate.

iii. Dividend income

Dividend income from investment is recognized when the right to receive the payment is established and amount of dividend can be measured reliably.

iv. Insurance and Other Claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard

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to the amount to be realized and the ultimate collection thereof.

(b) Employee Benefits

i. Short term Employee Benefits :

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the year in which the related service is rendered.

ii Post Employee Benefits Plans:

Defined Contributions Plans

(a) Provident Fund

Employees receive benefit in the form of provident fund which is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(b) Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

Defined Benefits Plan:

(c) Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount

based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The company fully contributes all ascertained liabilities to the Vardhman Acrylics Limited Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in the scheme with Life insurance corporation of India as permitted by Indian Law.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gain and losses through re-measurements of the net defined benefit liability / asset are recognised in other comprehensive income and are not reclassified to profit and loss in subsequent periods.

The actual return of portfolio of plan assets in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income.

iii Long term employee benefits:

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

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(c) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013 except the assets costing Rs. 5000/- or below on which depreciation is charged @ 100% per annum on proportionate basis, are as follows:

Building	- 30-60 years.
Plant and Machinery	- 15-25 years.
Office Equipment	- 5 Years
Computer Equipment	- 3 years.
Furniture and fittings	- 10 years
Vehicles excluding Motor cycles	- 08 years.
Motor cycles	- 10 years.

On transition to Ind AS, the company has elected to continue with the carrying value of all its Property, plant & equipment recognized as at 1st April, 2016 measured as per previous GAAP and use that carrying value as its deemed cost of its Property plant and equipment.

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

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Impairment of property, plant and equipment

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

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates

used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment is reviewed periodically, including at each financial year end.

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(d) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. Amortization method and useful lives and residual values are reviewed periodically, including at each financial year end.

(e) Inventories

Inventories of raw materials, stores and spares, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. However, materials and other items held for use in the production of Inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost in respect of the aforesaid items of inventory is computed as under:

- In case of raw materials, at weighted average cost plus direct expenses.
- In case of stores and spares, at weighted average cost plus direct expenses.
- In case of work-in-progress, at raw material cost plus conversion cost depending upon the stage of completion.
- In case of finished goods, at raw material cost plus conversion cost, packing cost and other overheads incurred to bring the goods to their present condition and location.
- Net realizable value is the estimated selling price in ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(f) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of items of Property, plant

and equipment which necessarily takes substantial period of time to get ready for their intended use are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(g) Earnings per Share

Basic earnings per equity share is computed by dividing the net profit for the period attributable to the equity share holders of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders is divided by the weighted average number of

equity shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares, if any.

(h) Taxes on Income

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to when it relates to items recognized directly in equity or items recognised in other comprehensive income.

Current income tax for current period is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the

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years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

MAT

Minimum Alternative tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustments to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT credit is recognized as asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company.

(i) Government Grants

- i. The government grants are recognized only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.
- ii. Government grants in relation to fixed assets are treated as deferred income and are recognized in the statement of profit

and loss on a systematic and rational basis over the useful life of the asset.

- iii. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.
- iv. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they becoming receivable.

(j) Foreign Currency Transactions

Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The monetary items denominated in foreign currency are reported using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

The non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement or reporting of monetary items at rates different from rates at which these were initially recorded during the period or reported in previous financial statements as recognised in the statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the

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statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

(k) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(l) Leases

The Company as a lessee

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

The Company as a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(m) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liability are recognised when the company entity becomes a party to the contractual provisions of its instruments.

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i. Initial Recognition and measurement

All financial assets and liabilities are initially recognized at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial asset or

financial liability on initial recognition. Transaction cost that are directly attributable to the acquisition of financial assets or financial liabilities, which are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

ii. Subsequent measurement

• Non-derivative financial instruments

1. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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.

2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

3. Investments in equity instruments measured at fair value through other comprehensive income

On initial recognition, the company can make an irrevocable election for its investment

which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. These elected investments are initially measured at fair value plus transaction cost, subsequently there are measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income and accumulated in the Reserve for equity instruments through Other Comprehensive Income. The cumulative gain or loss is not reclassified to the Statement of Profit or loss on disposal of the investments.

- The above election is not permitted if the equity investment is held for trading.

Dividend on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

4. Financial assets at fair value through profit or loss

- A financial asset which is not classified in any of the above categories is subsequently measured at fair valued through profit or loss.

- Debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income but are designated as fair value through profit or loss are measured at FVTPL.

5. Financial liabilities

- The financial liabilities are subsequently carried at amortized cost using the effective interest method.

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- **Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

- **Financial assets or financial liability at fair value through Profit or Loss**

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

- **Cash Flow Hedge**

The Company has not designated derivative financial instruments as cash flow hedges.

- **Equity Instruments:**

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

- **Ordinary Shares**

Equity shares issued by the company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

- **Derecognition of financial instruments**

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the right to receive the contractual cash flows including risk and rewards of ownership.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

- **Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

- **Fair value measurement**

Fair value of financial assets and liabilities is normally determined by reference to the transaction price or market price, if the fair value is not reliably determinable then the fair value is determined by using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

iii. Impairment of financial assets

Financial assets that are carried at amortised cost and fair value through other comprehensive income (FVOCI) are assessed for possible impairments basis expected credit losses taking into account the past history of recovery, risk of default of the counterparty, existing market conditions etc. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- . The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- . Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

For trade receivables or any contractual right to receive cash or another financial asset that result from transaction that are within the scope of Ind AS 115 and Ind AS 116. The Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. The company follows simplified approach does not require the company to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For other assets, the company uses 12 months ECL to provide for impairment loss where is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

(n) Segment reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available.

(o) Cash and cash equivalents

Cash and cash equivalent for the purpose of statement of cash flows include bank balances, where the original maturity is three months or less and other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdraft are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

(p) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

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(q) Provisions and Contingent liabilities:

(A) Provisions

- Provisions are recognized if, as a result of past event, the company has a present obligation (legal or constructive), and it is probable that a cash outflow will be required to settle the obligation in respect of where a reliable estimate can be made.
- As the timing of outflows of resources is uncertain, being dependent upon the outcome of the future proceedings, these provisions are not discounted to their present value.
- When some or all of economics benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursements will be received and amount of the receivable can be measured reliably.

(B) Contingent liability

- A disclosure for contingent liability is made when is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.
- When there is possible obligation or a present obligation where the like hood of an outflow of resources is remote no provision or disclosure is made.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets are neither recognized nor disclosed in the financial statements

Provisions, contingent liabilities, and commitments are reviewed at each balance sheet date.

Note 2.4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and reported amount of revenue and expense during the period.

Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amount of assets or liabilities in future period.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

i. Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

ii. Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions

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regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

iii. Defined benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these assumptions that may have a material impact on the resulting calculations.

iv. Recognition of deferred tax assets

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to signification adjustment to the amounts reported in financial statement.

v. Contingencies

estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. The Company annually assesses such claims and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary.

vi. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting process. In estimating the fair value of an asset or liability, the company uses market-observable data to the extent is available.

vii. Estimate of uncertainty relating to global health pandemic (COVID-19)

On account of COVID-19 pandemic the Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its

assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Company has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising of the future economic conditions and any significant impact of these changes would be recognized in the financial statements as and when these material changes to economic condition arise.

Recent Indian accounting standards (Ind AS)

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

and discount rates for the most appropriate fair value measurement.

- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification

is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.

- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

3 (a) Property, plant and equipment

Particulars	As at 31 st March 2022	As at 31 st March 2021
Carrying amount of		
Buildings	1,223.06	1,284.44
Plant and equipment	3,132.53	3,319.85
Furniture and fixtures	11.89	11.56
Vehicles	37.69	50.65
Office equipment	62.46	69.18
Total Property, plant and equipment	4,467.63	4,735.68

3 (a) Cost or Deemed Cost

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Total
Balance at 1st April 2021	1,714.42	5,608.90	18.92	122.98	199.07	7,664.29
Additions	19.81	225.81	1.79	-	12.80	260.21
Adjustments/Transfer	-	-	-	-	-	-
Deletions	-	(1.29)	(0.05)	(11.47)	(0.50)	(13.31)
Balance at 31st March 2022	1,734.23	5,833.42	20.66	111.51	211.37	7,911.19
Accumulated depreciation as at 1st April 2021	(429.98)	(2,289.05)	(7.36)	(72.33)	(129.89)	(2,928.61)
Depreciation	(81.19)	(411.86)	(1.47)	(12.23)	(19.32)	(526.07)
Accumulated depreciation on deletions	-	0.03	0.05	10.74	0.30	11.12
Accumulated depreciation as at 31st March 2022	(511.17)	(2,700.88)	(8.78)	(73.82)	(148.91)	(3,443.56)
Carrying Value as of 31st March 2022	1,223.06	3,132.54	11.88	37.69	62.46	4,467.63
Carrying Value as of 1st April 2021	1,284.44	3,319.85	11.56	50.65	69.18	4,735.68

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

3 (a) Cost or Deemed Cost (Contd.)

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Total
Balance at 1st April 2020	1,712.27	5,602.87	19.13	122.98	187.13	7,644.38
Additions	5.68	14.56	1.11	-	14.56	35.91
Adjustments/Transfer	(2.84)	-	-	-	-	(2.84)
Deletions	(0.69)	(8.53)	(1.32)	-	(2.62)	(13.16)
Balance at 31st March 2021	1,714.42	5,608.90	18.92	122.98	199.07	7,664.29
Accumulated depreciation as at 1st April 2020	(348.93)	(1,884.81)	(6.49)	(56.85)	(111.14)	(2,408.22)
Depreciation	(81.15)	(409.00)	(1.69)	(15.48)	(18.78)	(526.10)
Accumulated depreciation on deletions	0.10	4.76	0.82	-	0.03	5.71
Accumulated depreciation as at 31st March 2021	(429.98)	(2,289.05)	(7.36)	(72.33)	(129.89)	(2,928.61)
Carrying Value as of 31st March 2021	1,284.44	3,319.85	11.56	50.65	69.18	4,735.68
Carrying Value as of 1st April 2020	1,396.34	3,718.06	12.64	66.13	75.99	5,236.16

Notes on property, plant and equipment

- Borrowing cost capitalised during the year Rs NIL (Previous year NIL).
- Also refer note 2 (c) for option used by the company to use carrying value of previous GAAP as deemed cost as on April 1, 2015
- The title deeds of all immovable properties are held in the name of the Company.
- Company is following cost method of valuation.

3(b) Right of Use-Asset

Particulars	As at 31 st March 2022	As at 31 st March 2021
Carrying amount of		
Land	1,116.33	1,131.76
Total Right of Use Asset	1,116.33	1,131.76

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

3(b) Right of Use-Asset (Contd.)

Cost or Deemed Cost

Particulars	Land
Balance at 1st April 2021	1,162.62
Additions	-
Deletions	-
Balance at 31st March 2022	1,162.62
Accumulated depreciation as at 1st April 2021	(30.86)
Depreciation	(15.43)
Accumulated depreciation on deletions	-
Accumulated depreciation as at 31st March 2022	(46.29)
Carrying Value as of 31st March 2022	1,116.33
Carrying Value as of 1st April 2021	1,131.76

*Refer note no 39 "Leases" for ROU assets movement

Particulars	Land
Balance at 1st April 2020	1,162.62
Additions	-
Deletions	-
Balance at 31st March 2021	1,162.62
Accumulated depreciation as at 1 st April 2020	(15.43)
Depreciation	(15.43)
Accumulated depreciation on deletions	-
Accumulated depreciation as at 31st March 2021	(30.86)
Carrying Value as of 31st March 2021	1,131.76
Carrying Value as of 1 st April 2020	1,147.19

Note - The aggregate depreciation expense on right of use asset is included under depreciation and amortization expense in the statement of profit and loss.

3 (c) Capital-Work-in Progress

Particulars	As at 31 st March 2022	As at 31 st March 2021
Capital-work-In- Progress	19.14	20.53

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

3 (c) Capital-Work-in Progress (Contd.)

As on 31.03.2022

(a) CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	17.10	2.04	-	-	19.14
Projects temporarily suspended	-	-	-	-	-
Total	17.10	2.04	0.00	0.00	19.14

As on 31.03.2021

CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	18.93	1.35	-	-	20.28
Projects temporarily suspended	0.25	-	-	-	0.25
Total	19.18	1.35	0.00	0.00	20.53

(b) There are no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan.

4 Investments

Particulars	As at 31 st March 2022	As at 31 st March 2021
Non current Investments		
Non trade Investments		
Investments carried at fair value through other comprehensive income (FVTOCI)		
Non trade		
Investment in equity instrument (Unquoted)		
1,647,525 (31 st March 2021: 1,647,525) Equity Shares of Narmada clean Tech (formerly known as Bharuch Eco-Aqua Infrastructure Ltd. of Rs 10/- each fully paid up.)	280.24	266.73

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

4 Investments (Contd.)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Investments carried at fair value through profit or loss (FVTPL)		
Investments in Mutual Funds; Debt Funds; Fixed Maturity plans		
Investment in Mutual Fund		
(Quoted)		
24,998,750 (31 March 2021: 24,998,750) Units of Rs. 10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	2,684.99	2,527.06
246,634 (31 March 2021: 246,634) Units of Rs. 1000/- each of Edelweiss Bharat Bond ETF 2025	2,673.90	2,526.01
Total	5,639.13	5,319.80
Aggregate amount of quoted investments	5,358.89	5,053.07
Aggregate market value of quoted investments	5,358.89	5,053.07
Aggregate amount of unquoted investments	280.24	266.73
Aggregate amount of impairment in value of investments	-	-

(i) Also, Refer note 42

(ii) Refer Note 46 B for information on investment pledged as security by company.

5 Financial Asset Loan

Particulars	As at 31 st March 2022	As at 31 st March 2021
Non current		
Financial assets at amortized cost		
Loans receivables considered good - Unsecured		
- Loans to employees	5.83	5.63
	5.83	5.63

Loan or advances to director, kmp promoters and other related parties is nil.

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

6 Other financial assets

Particulars	As at 31 st March 2022	As at 31 st March 2021
Non Current		
Financial assets at amortized cost		
Fixed Deposit with banks more than twelve months maturity	25.79	0.26
	25.79	0.26

7 Other Non Current Assets

Particulars	As at 31 st March 2022	As at 31 st March 2021
(Unsecured considered good unless otherwise stated)		
Security deposits	47.47	47.37
Deferred Expense for Employee benefit	0.87	1.42
Prepaid Expenses	1.09	1.67
Others	6.13	6.13
	55.56	56.59

8 Inventories (at cost or net realizable value, whichever is lower)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Raw materials	1,012.96	2,239.70
Raw materials in transit	3,893.45	2,364.71
Finished goods	1,052.62	657.38
Work in progress	623.91	273.84
Stores and spares	1,101.95	884.29
	7,684.89	6,419.92

The amount of inventory recognised as an expense during the year is Rs.25,462.07 Lakhs (Previous year Rs.19,326.35 lakhs)

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

9 Other Investments (Current)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Current Investments		
Financial assets measured at fair value through profit or loss (FVTPL)		
(Quoted)		
(i) Investment in Mutual Funds		
139,988 (31 March 2021: 1,70,429) Units of Rs. 1000/- each of SBI Liquid Fund Direct Growth	4,665.91	5,490.58
Nil (31 March 2021: 5,739,341) Units of Rs. 10/- each of IDFC Arbitrage Fund - Growth (Direct Plan)	-	1,535.82
Nil (31 March 2021: 26,000,000) Units of Rs. 10/- each of HDFC FMP1150D March 2018 (1) Direct Growth Series -39	-	3,261.78
Nil (31 March 2021: 25,000,000) Units of Rs. 10/- each of SBI SDFC C - 16 (1100 Days) Direct Growth*	-	3,142.43
5,476,236 (31 March 2021: 10,185,882) Units of Rs. 10/- each of Kotak Equity Arbitrage Fund- Direct Growth	1,734.27	3,084.40
Nil (31 March 2021: 4,819,695) Units of Rs. 10/- each of ICICI Equity Arbitrage Fund - Direct Growth	-	1,352.03
8,390,939 (31 March 2021: Nil) Units of Rs. 10/- each of L&T Arbitrage Opportunities Fund - Direct Plan - Growth	1,363.44	-
	7,763.62	17,867.04
Aggregate amount of quoted investments	7,763.62	17,867.04
Aggregate Market value of quoted investments	7,763.62	17,867.04
Aggregate amount of unquoted investment	-	-
Aggregate amount of impairment in value of investments	-	-

Notes:

- (i) Also, Refer note 42
- (ii) *Investment having maturity period of less than 12 months from March 31, 2022 i.e. the balance sheet date have been reclassified as 'Current Investment' during the year, if applicable.
- (iii) Refer Note 46 B for information on investment pledged as security by company.

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

10 * Trade receivables

Particulars	As at 31 st March 2022	As at 31 st March 2021
Receivable from others		
- Secured, considered good	-	-
- Unsecured considered good	1,056.52	1,507.42
- Significant increase in Credit risk	-	-
- Credit impaired	4.84	4.84
- Less Allowances	(4.84)	(4.84)
	1,056.52	1,507.42

- (i) The credit period allowed on sales generally vary, on case to case basis, business to business, based on market conditions, maximum credit period allowed is 5 days and 90 days against letter of credit (2020-21- 5 days and 90 days against letter of credit) in case of domestic sale.

Particulars	As at 31 st March 2022	As at 31 st March 2021
(ii) Ageing of allowances of doubtful trade receivables		
- Less than 180 days	-	-
- More than 180 days	4.84	4.84
	4.84	4.84
(iii) Movement in expected credit loss allowance		
- Balance at the beginning of the year	4.84	4.84
- Reversal of provision during year	-	-
- Provision provided during the year	-	-
- Balance at the end of the year	4.84	4.84
(iv) Age of Receivables:		
(a) Undisputed Trade receivables – considered good		
Less than 6 months	1,051.79	1,490.01
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
	1,051.79	1,490.01
(b) Disputed Trade receivables – considered good		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	0.43
2 to 3 years	0.45	1.65
More than 3 years	4.28	15.33
	4.73	17.41

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

10 * Trade receivables (Contd.)

Particulars	As at 31 st March 2022	As at 31 st March 2021
(c) Disputed Trade receivables – credit impaired		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	4.84	4.84
	4.84	4.84

Refer note 42

Note: No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person or from firms or private company in which any directors is a partner, a director or a member.

11 Cash and cash equivalents

Particulars	As at 31 st March 2022	As at 31 st March 2021
Cash on hand	0.52	0.44
Balance with banks :		
- In current accounts	99.47	244.05
- In cash credit accounts	6.44	314.99
- In deposit accounts with original maturity of three months or less	40.12	1,297.99
	146.55	1,857.47

Refer note 42

11A Bank Balances other than Cash and cash equivalents

Particulars	As at 31 st March 2022	As at 31 st March 2021
Other bank balances		
- Earmarked balances with banks*	118.63	85.10
- Deposits with original maturity more than three months but less than twelve months "	270.93	8,274.00
	389.56	8,359.10

* Earmarked balances with banks includes Rs. 118.63 Lakhs (March 31, 2021: Rs. 47.25 Lakhs) pertaining to unpaid dividend accounts with banks, and Nil (March 31, 2021 : Rs 37.85 Lakhs) fixed deposits pledged with government authorities and others.

Refer note 42

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

12 Financial Asset

Particulars	As at 31 st March 2022	As at 31 st March 2021
Current		
Loans		
Financial assets at amortized cost		
Loans receivables considered good - Unsecured		
- Loans to employees	11.46	4.30
	11.46	4.30

Loan or advances to director, kmp promoters and other related parties is nil

13 Other financial assets

Particulars	As at 31 st March 2022	As at 31 st March 2021
Financial assets at amortized cost		
- Interest accrued but not due	2.85	356.39
- Advances to employees	5.80	5.78
- Others	3.96	3.27
	12.61	365.44

14 Other current assets

(Unsecured considered good, unless otherwise stated)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Advances to Suppliers		
- For supply of goods and rendering of services	1,009.86	597.42
Prepaid expenses	5.76	33.74
Balances and Deposits with Government Authorities or Others	825.54	229.05
Deferred Expense for Employee benefits	0.41	0.21
	1,841.57	860.42

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

15 Equity share Capital

Particulars	As at	
	31 st March 2022	31 st March 2021
Authorised		
150,000,000 Equity Shares, Rs.10/- each (31 st March 2021 : 150,000,000)	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, Subscribed and Paid-up		
80,363,746 Equity Shares, Rs.10/- each (31 st March 2021 : 80,363,746)	8,036.37	8,036.37
Total issued, subscribed and fully paid-up share capital	8,036.37	8,036.37

(a) Reconciliation of the share outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
At the beginning of the period	80,363,746	8,036.37	80,363,746	8,036.37
Outstanding at the end of period	80,363,746	8,036.37	80,363,746	8,036.37

(b) 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 held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.

Shareholding of Promoter

Sr no	Particulars	As at 31 st March 2022			As at 31 st March 2021		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
1	Vardhman Textiles Limited	56,851,144	70.74%	-	56,851,144	70.74%	-
2	Devakar Investment and Trading Company Private Limited	2,593,484	3.23%	-	2,593,484	3.23%	-

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

15 Equity share Capital (Contd.)

Sr no	Particulars	As at 31 st March 2022			As at 31 st March 2021		
		No. of Shares	% of total shares	% change during the year	No. of Shares	% of total shares	% change during the year
3	Vardhman Holdings Limited	733,762	0.91%	-	733,762	0.91%	-
4	Vtl Investments Limited	70,330	0.09%	-	70,330	0.09%	-
5	Santon Finance & Investment Company Limited	100	0.00%	-	100	0.00%	-
6	Mahavir Spinning Mills Private Limited	100	0.00%	-	100	0.00%	-
7	Flamingo Finance & Investment Company Limited	100	0.00%	-	100	0.00%	-
8	Ramaniya Finance & Investment Company Limited	100	0.00%	-	100	0.00%	-
9	Adishwar Enterprises Llp	10	0.00%	-	10	0.00%	-
10	Shri Paul Oswal	10	0.00%	-	10	0.00%	-
11	Shakun Oswal	10	0.00%	-	10	0.00%	-
12	Sachit Jain	10	0.00%	-	10	0.00%	-
13	Suchita Jain	-	0.00%	-	-	0.00%	-
14	Soumya Jain	-	0.00%	-	-	0.00%	-
15	Sagrika Jain	-	0.00%	-	-	0.00%	-
16	Amber Syndicate	-	0.00%	-	-	0.00%	-
17	Paras Syndicate	-	0.00%	-	-	0.00%	-
18	Eastern Trading Company	-	0.00%	-	-	0.00%	-
19	Northern Trading Company	-	0.00%	-	-	0.00%	-

(c) Shares held by holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at 31 st March 2022	As at 31 st March 2021
Vardhman Textiles Limited, the holding Company 5,68,51,144 (previous year 5,68,51,144) Equity Shares of Rs.10/- each fully paid	5,685.11	5,685.11
VTL Investments Limited, the fellow subsidiary of Company 70,330 (previous year 70,330) Equity Shares of Rs.10/- each fully paid	7.03	7.03

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

15 Equity share Capital (Contd.)

(d) Details of shareholders holding more than 5% shares in the company

Names of Shareholders	As at 31 st March 2022		As at 31 st March 2021	
	No. of shareholders	% of Shareholding	No. of shareholders	% of Shareholding
Vardhman Textiles Ltd.	56,851,144	70.74	56,851,144	70.74

(e) Aggregate Number and Class of shares bought back in the period of five year immediately preceding period March 31, 2022.

Year	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2018	As at 31 st March 2017
Equity shares bought back by the company	-	-	-	-	12,644,090

16 Other equity

Particulars	As at 31 st March 2022	As at 31 st March 2021
Capital redemption reserve	2,816.88	2,816.88
General reserve	4,006.15	4,006.15
Retained earnings	6,278.83	24,913.82
Equity instruments through other comprehensive income	67.81	54.30
Other items of other comprehensive income	25.71	9.73
Total other equity	13,195.38	31,800.88

Nature and purpose of reserve

- (i) **Capital redemption reserve:** Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption of capital or purchase of a company's own shares.
- (ii) **General Reserve:** General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- (iii) **Retained earnings:** Retained earnings represents amount that can be distributed by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act 2013.

Notes of Financial Statements

(All amounts in Rs. lakhs, unless otherwise stated)

16 Other equity (Contd.)

- (iv) **Reserve for equity instruments through other comprehensive income** : Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.
- (v) **Reserve for other items of other comprehensive income** : Other items of other comprehensive income comprises income/ (Expense) represent the actuarial gain/(loss) recognised during the year (net of taxes)

17 Lease liabilities (Non Current)*

Particulars	As at 31 st March 2022	As at 31 st March 2021
Financial liabilities at amortized cost		
- Lease liability	0.08	0.08
	0.08	0.08

Refer note 39 & 42

18 Provisions (Non-Current)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Provision for employee benefits		
- Provision for compensated absences	49.17	57.58
	49.17	57.58

19 Deferred tax liabilities (net)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Deferred tax liabilities (net)	756.29	1,024.66
	756.29	1,024.66

Refer note no - 41

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

20 Other Non Current liabilities

Particulars	As at 31 st March 2022	As at 31 st March 2021
- Other liabilities	9.40	10.95
	9.40	10.95

21 Borrowings (current)

Particulars	As at 31 st March 2022	As at 31 st March 2021
- From banks (Secured at amortised cost)*	-	34.13
- From banks (unsecured at amortised cost)	278.40	1.65
	278.40	35.78

No current assets pledged with the banks against the borrowings, hence no stock statement provided to banks

*Credit limit from banks during FY 2020-21 was secured by lien on investments (Units 2,50,00,000 of SBI SDFC 1100 days- Direct growth of Rs. 3142.43 lacs) held by the company

Refer note no - 46B

22 Trade payables

Particulars	As at 31 st March 2022	As at 31 st March 2021
Total outstanding dues of micro enterprises and small enterprises (Refer Note 44)	117.12	39.14
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,613.99	4102.83
	4,731.11	4,141.97

Ageing of Trade payables:

Particulars	As at 31 st March 2022	As at 31 st March 2021
(i) MSME:		
Less than 1 year	117.12	39.14
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	117.12	39.14

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

22 Trade payables (Contd.)

Particulars	As at 31 st March 2022	As at 31 st March 2021
(ii) Others:		
Less than 1 year	4,583.67	4,070.80
1-2 years	4.17	5.25
2-3 years	2.12	2.36
More than 3 years	24.03	24.42
	4,613.99	4,102.83

23 Other financial liabilities (current):

Particulars	As at 31 st March 2022	As at 31 st March 2021
Financial liabilities at amortized cost		
- Due to employees	158.07	177.23
- Securities Received	6.85	6.85
- Others	378.65	349.45
- Unpaid Dividend*	118.63	47.25
Financial liabilities at Fair value through Profit or Loss		
- Derivative Financial Instruments	1.78	29.55
	663.98	610.33

Refer note no - 42

* Unpaid dividend does not include any amount due and outstanding required to be credited to the Investors Education and Protection Fund.

24 Provisions

Particulars	As at 31 st March 2022	As at 31 st March 2021
Provision to Employee benefits		
- Compensated absences	6.59	7.99
	6.59	7.99

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

25 Current tax liabilities (net)*

Particulars	As at 31 st March 2022	As at 31 st March 2021
- Provision for taxation (Net of advance taxes Rs. 16,197.60 Lakhs, Previous year Rs.15,411.39 Lakhs)	2,413.73	2,639.88
	2,413.73	2,639.88

*Includes provision of Rs.2489.81 Lacs (March 31,2021 Rs.2489.81 Lacs) on account of some issues for which refund received by company as per assessment order of appellate authorities but Income Tax department is in appeal with higher authorities so company taking a conservative view has retained the provision in books as at March 31,2022.

26 Other current liabilities

Particulars	As at 31 st March 2022	As at 31 st March 2021
- Withholding and other tax payables	65.99	59.58
- Trade deposits and advances	8.25	61.33
- Others liabilities	21.45	23.97
	95.69	144.89

27 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products		
Finished Goods (Fibre & Tow)	29,138.08	27,557.51
Raw Materials (Acrylonitrile & Vinyl Acetate Monomer)	982.58	-
Trading Goods (Vinyl Acetate Monomer)	190.10	426.59
Other Operating Revenue	21.87	33.52
Export Incentives	-	1.20
	30,332.63	28,018.82

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

28 Other Income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on financial assets carried at amortized cost	210.38	673.26
Interest income on employee loans	0.21	0.09
Net Gain on sale of investment carried at fair value through Profit or loss (Net of fair valuation gain / loss upto previous years)	609.15	300.46
Net Gain on investments carried at fair value through profit or loss	337.87	521.15
Insurance claims received	7.26	7.29
Sundry balances/Liabilities / Provisions no longer required, written back (net).	58.10	27.64
Other non operating income	14.83	7.21
Profit on disposal of Property, Plant and Equipment (Net)	4.58	-
Net foreign exchange gain	197.19	-
	1,439.57	1,537.10

29 Cost of Materials Consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	2,239.70	1,364.46
Add : Purchases	22,437.04	17,508.04
	24,676.74	18,872.50
Less: inventory at the end of the year	1,012.96	2,239.70
Less: Obsolete Stock write off	-	13.83
Cost of raw material consumed	23,663.78	16,618.97
Raw materials consumed (Major Heads)		
Acrylonitrile *	21,502.26	15,113.66
Vinyl Acetate Monomer *	1,637.84	1,002.23
Others	523.68	503.08
	23,663.78	16,618.97

* includes material sold

30 Purchases Of Stock-In-Trade

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Acrylonitrile	189.62	286.38
	189.62	286.38

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the beginning of the year		
Finished Goods	657.38	757.34
Work-in-Progress	273.84	181.43
	931.22	938.77
Less - Inventories at the end of the year		
Finished Goods	1,052.62	657.38
Work-in-Progress	623.91	273.84
	1,676.53	931.22
Net (increase) / decrease in opening and closing stock	(745.31)	7.55
	(745.31)	7.55
Stock Particulars of Finished Goods		
Fibre and Tow (Qty MT)	524.82	465.42

32 Employee Benefits

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and other allowances	1,473.53	1,518.06
Amortization of Deferred Employee benefits	0.21	0.09
Contribution to Provident and other funds	87.59	80.51
Staff welfare expense	32.49	33.93
	1,593.82	1,632.59

33 Finance Costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on		
- Working capital and others	4.88	37.34
Other borrowing cost	34.15	15.68
	39.03	53.02

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

34 Other Expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Power and fuel	2,280.74	2,270.10
Water charges	255.88	271.18
Consumption of stores and spares	327.18	264.59
Repair and maintenance		
- Machinery	505.37	343.70
- Building	63.16	72.12
- Other	14.09	18.32
Rates and taxes	336.35	301.77
Insurance	34.61	26.01
Payment to auditor		
Audit fee	2.50	2.50
Tax audit fee	0.50	0.50
Reimbursement of expenses	0.25	0.10
In other capacity	0.08	0.23
Legal and professional	25.56	17.54
Bad debts written off	12.68	-
Excess provision Written off	0.39	13.83
Exchange rate fluctuation (Net)	-	54.38
Loss on discard of Property, Plant and Equipment	0.19	6.69
Expenditure of CSR activities (refer note 45)	86.96	118.30
Allocation of common corporate expenses	81.39	84.63
Selling expenses	604.42	730.12
Miscellaneous expenses	114.42	108.48
	4,746.72	4,705.09

35. Contingent Liabilities and Commitments:

A. Contingent Liabilities.

Particulars	As at 31 st March 2022	As at 31 st March 2021
a Claims against the Company not acknowledged as debts:		
Sales tax, excise duty, vat etc*	42.34	42.34
Income-tax**	100.64	93.72

* Amount deposited Rs.2.62 Lakhs (31st March 2021 : Rs. 2.62 Lakhs)**Amount deposited Rs.22.26 Lakhs (31st March 2021 : Rs. 22.26 Lakhs)

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

35. Contingent Liabilities and Commitments: (Contd.)

A. Contingent Liabilities. (Contd.)

- b. Liability on account of outstanding bank guarantees and letter of credit of Rs.1,712.32 Lakhs (previous year Rs. 401.07 Lakhs).
- c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligation that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company has been advised that it has strong legal positions against such disputes.
- d. The Hon'ble Supreme Court in a ruling during the year 2019 had passed a judgement on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, cannot be ascertained. The Company will update its provision, on receiving further clarity on this subject matter.

B. Commitments

Particulars	As at 31 st March 2022	As at 31 st March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	27.05	342.01

36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits:

36.1 Defined Contribution Plans:

Amounts recognised in the statement of profit and loss are as under:

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Superannuation fund	-	-
Provident fund administered through Regional Provident Fund Commissioner	74.53	73.26
National Pension Scheme	13.06	7.26

The expenses incurred on account of the above defined contribution plans have been included in Note No. 32 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd.)

36.2 Defined Benefit Plan:

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every eligible employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

- i. **Salary Risk-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- ii. **Investment Risk –** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- iii. **Interest Risk-** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.
- iv. **Longevity risk-** The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The following tables set out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31st March 2022 and 31st March 2021.

a. Movement in the present value of defined benefit obligations are as follows :

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Present value of defined benefit obligation, as at the beginning of the year	196.15	183.72
Current service cost	19.58	21.67
Interest cost	13.32	12.49
Actuarial (gain)/ loss	(14.07)	(4.26)
Actual Benefits paid	(20.20)	(17.46)
Past service cost including curtailment gains / losses	-	-
Present value of defined benefit obligation at the end of the year	194.78	196.15

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd.)

b. Movement in the fair value of the plan assets are as follows :

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Fair Value of Plan Assets, as at beginning of the year	233.47	204.34
Expected return on Plan Assets	15.85	13.90
Contribution by the employer	-	-
Withdrawal	(21.65)	-
Return on plan assets, greater/(lesser) than expected return	7.28	16.21
Actual Benefits Paid	(0.08)	(0.99)
Fair Value of Plan Assets, as at end of the year	234.87	233.46

c. Net (liability) / assets recognized in balance sheet:

Particulars	As at 31 st March 2022	As at 31 st March 2021
Present Value of the obligation at end of the year	194.77	196.15
Fair value of plan assets	234.87	233.47
Unfunded (Liability) / Assets in Balance Sheet	40.10	37.32

d. Constitution of plan assets

Particulars	As at 31 st March 2022	As at 31 st March 2021
Quoted:		
Corporate Bonds	78.86	78.85
Government of India Securities	-	-
State government/State government guaranteed securities	108.34	108.34
Mutual funds	45.61	38.31
Unquoted:		
Cash at bank and receivables	2.06	7.97
Total plan assets	234.87	233.47

Notes of Financial Statements

(All amounts in Rs. lakhs, unless otherwise stated)

36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd.)

e. Amount recognized in statement of profit and loss

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Current service cost	19.58	21.67
Net Interest expense	(2.53)	(1.40)
Amount recognized in the Statement of Profit and Loss	17.05	20.27

The current service cost, past service cost and the net interest expenses for the year are included in Note 32 “Employee Benefits Expenses” under the head “Salaries and Wages”

f. Amount recognized in Other Comprehensive Income (OCI):

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Actuarial (Gain)/Losses on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Losses on arising from Change in Financial Assumption	(5.57)	0.15
Actuarial (Gain)/Losses on arising from Experience Adjustment	(8.51)	(4.42)
Actuarial (gain)/losses arising for the year on assets	(7.28)	(16.21)
Amount recognized in OCI	(21.36)	(20.48)

g. The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Discount Rate		
0.50% Increase	(6.80)	(7.23)
0.50% decrease	7.26	7.74
Future Salary increase		
0.50% Increase	7.31	7.76
0.50% decrease	(6.91)	(7.31)

All other assumptions are considered constant.

As per Actuarial Certificate, sensitivities due to mortality and withdrawals are not material and hence impact of change has not been calculated.

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd.)

h. Maturity profile of Defined benefit Obligations:

Year	Amount
0 to 1 Year	17.84
1 to 2 Year	11.14
2 to 3 Year	20.52
3 to 4 Year	17.67
4 to 5 Year	10.96
5 to 6 Year	13.77
6 Year onwards	102.86

- i. The average duration of the defined benefit plan obligation at the end of the reporting period is 12.74 years (31st March 2021: 12.90 years)
- j. The expected contribution to the trust during the next year is Rs. 20.93 Lakhs (previous year Rs. 23.52 Lakhs).
- k. The principal assumptions used for the purpose of the actuarial valuations are as follows:

Particulars	As at 31 st March 2022	As at 31 st March 2021
Discount Rate (per annum)	7.18	6.79
Weighted average rate of increase in compensation levels	6.00	6.00
Retirement Age (Years)	58	58
Method Used	Projected Unit Credit Method	Projected Unit Credit Method
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	5.00	5.00
From 31 to 44 years	5.00	5.00
Above 44 years	5.00	5.00

Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

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(All amounts in Rs. lakhs, unless otherwise stated)

36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd.)

36.3 Other long term employee benefit

- (i) Amount recognised in profit and loss in Note No. 32 “Employee benefit expense” under the head “Salaries, wages and other allowances” towards leave encashment is Rs. 3.89 Lakhs (Previous year Rs. 13.67 Lakhs).
- (ii) The amount payable as at the end of the reporting period is as under:

Particulars	As at 31 st March 2022	As at 31 st March 2021
Current	6.59	7.99
Non-Current	49.17	57.58

37. Segment Information

The Company is primarily in the business of manufacturing, purchase and sale of “Acrylic Fibre and Tow. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

Revenue from operations

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Domestic	29,138.08	27,556.54
Overseas	-	0.97

Domestic information includes sales to customers located in India

Overseas information includes sales to customers located outside India.

Revenue from major customers

There are three customers (previous year three customers) that accounts for more than 10% of Company's revenue.

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
- Amount of sales	10,239.01	12,687.99

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

38. Related Party transactions:

In accordance with the requirements of IND AS 24, on “Related Party Disclosures”, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

Related party and their relationship:-

(a) Key Management personnel

(i)	Managing director	Mr. B. K. Choudhary
(ii)	Non-executive directors and Independent Director	Ms. Apinder Sodhi Mr. Munish Chandra Gupta Mr. Sanjit Paul Singh Mr. Surinder Kumar Bansal
(iii)	Non-executive directors and non-independent directors	Mr. Shri Paul Oswal Mr. Sachit Jain Mrs. Suchita Jain
(iv)	Chief Financial Officer	Mr Vivek Gupta
(v)	Company secretary	Mr. Satin Katyal

b) Other related parties

S. No.	Nature of relationship	Name of related party
1	Holding Company	Vardhman Textiles Limited
2	Fellow Subsidiaries	VMT Spinning Company Limited VTL Investments Limited Vardhman Nisshinbo Garments Company Limited
3	Associates of Holding Company	Vardhman Yarns & Threads Limited Vardhman Spinning and General Mills Limited Vardhman Special Steels Limited

(c) Post-Employment Benefit Plans Trust

VAL GRATUITY TRUST FUND

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for the year ended 31st March 2022

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38. Related Party transactions: (Contd.)

Transactions with related parties.

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries.		Key Management Personnel (KMP)		Others		Total	
		For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021	For the year ended 31 st March 2022	For the year ended 31 st March 2021
1	Sale of goods (Net of discount)	7,908.74	7,850.17	-	-	-	-	-	-	7,908.74	7,850.17
2	Purchase of goods	6.75	7.09	0.44	1.07	-	-	-	-	7.19	8.16
3	Purchase of MEIS License	195.13	62.66	-	-	-	-	-	-	195.13	62.66
4	Reimbursement of Common Corporate Expense (Exclu. Tax)	75.97	75.97	-	-	-	-	-	-	75.97	75.97
5	Interest Received from ICDs and Current account balances	-	-	-	-	-	-	-	-	-	-
6	***Contractual remuneration	-	-	-	-	158.09	178.43	-	-	158.09	178.43
6(a)	***Contractual remuneration outstanding as on last day of financial year	-	-	-	-	13.50	31.42	-	-	13.50	31.42
7	Dividend Paid	14,212.79	-	17.58	-	0.01	-	-	-	14,230.37	-
8	Reimbursement of Exp. Paid	0.56	-	-	-	-	-	-	-	0.56	-
9	Reimbursement of Exp. Received	0.04	0.48	-	-	-	-	-	-	0.04	0.48
10	Contribution to Employee Benefit Trust	-	-	-	-	-	-	-	-	-	-
11	Withdrawal from Employee Benefit Trust	-	-	-	-	-	-	21.65	9.25	21.65	9.25

** Exclusive of Indirect Taxes.

*** As the liabilities for gratuity, compensated absences are provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel has not been included.

*** Also includes sitting fees to non-executive directors.

*** The Amount excludes provision for employee benefits but includes sitting fees paid / payable to non-executive directors. Perquisites values are considered as per the provisions of Income tax act, 1961.

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(All amounts in Rs. lakhs, unless otherwise stated)

38. Related Party transactions: (Contd.)

Outstanding Balances of Related parties

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Receivables	NIL	NIL
Payables	NIL	NIL
Total	NIL	NIL

39. Disclosures as required by Indian Accounting Standard (Ind AS) 116 “Leases”:-

The Company has lease contracts for Land. Leases of land have lease terms of 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

In 2019-20 on transition, while adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs 0.08 lakhs and a lease liability of Rs.0.08 lakhs. Further, in respect of leases which were classified as operating leases, applying Ind AS 17, Rs. 1,162.54 lakhs had been reclassified from "Other Assets" to "Right of Use Asset". The effect of this adoption was insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

(a) Following are the changes in the carrying value of right of use assets for the year ended 31st March 2022:

Particulars	Land
Balance as on 01 st April 2021	1,131.76
Reclassified on account of adoption of Ind AS 116	-
Addition	-
Deletion	-
Depreciation	(15.43)
Balance as on 31st March 2022	1,116.33

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

(b) The following is the break-up of current and non-current lease liabilities as at 31st March 2022

Particulars	Amount (in Lakhs)
Current lease liabilities	-
Non-Current lease liabilities	0.08
Total	0.08

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for the year ended 31st March 2022

39. Disclosures as required by Indian Accounting Standard (Ind AS) 116 “Leases”:- (Contd.)

(c) Following is the movement in lease liabilities during the year ended 31st March 2022:

Particulars	Amount (in Lakhs)
Balance at the beginning of the year	0.08
Finance cost accrued during the year	0.01
Payment of lease liabilities	(0.01)
Balance at the end of the year	0.08

(d) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2022 on an undiscounted basis:

Particulars	As at 31 st March 2022	As at 31 st March 2021
Less than one year	15.43	15.43
One to five years	61.73	61.73
More than five years	1,039.17	1,054.60
Total	1,116.33	1,131.76

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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

Particulars	Amount (in Lakhs)
Depreciation Expenses on Right of use Assets	15.43
Interest expense on lease liabilities	0.01
Expense relating to short-term leases (included in other expenses)	-
Total Amount Recognised in Profit and Loss	15.44

40. Earning Per Share

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Basic earnings per share (INR)	1.81	5.34
Diluted earnings per share (INR)	1.81	5.34
Profit attributable to the equity holders of the Company used in calculating basic earning per share (Rs in Lakhs)	1,455.93	4,291.66
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	80,363,746	80,363,746

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(All amounts in Rs. lakhs, unless otherwise stated)

40. Earning Per Share (Contd.)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share (Rs in Lakhs)	1,455.93	4,291.66
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	80,363,746	80,363,746

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity, if any.

41. Income Tax:

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet.

41.1. Deferred tax liabilities (Net)

2021-22	Opening Balance	Recognised in Profit or Loss being opening adjustment to change in tax rate	Recognised in profit or loss	Recognised in OCI	Closing Balance
A. Deferred tax assets					
Expenses deductible in future years	37.48		-	-	37.48
Others	(0.83)	(6.09)	10.71		3.79
Total	36.65	(6.09)	10.71	-	41.27
B. Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(795.07)		72.52		(722.55)
Investment in bonds, mutual funds and equity instruments	(226.21)		191.07	-	(35.14)
Others	(40.03)		0.16	-	(39.87)
Total	(1,061.31)		263.75	-	(797.56)
Net deferred tax liabilities	(1,024.66)	(6.09)	274.46	-	(756.29)

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(All amounts in Rs. lakhs, unless otherwise stated)

41. Income Tax: (Contd.)

2020-21	Opening Balance	Recognised in Profit or Loss being opening adjustment to change in tax rate	Recognised in profit or loss	Recognised in OCI	Closing Balance
A. Deferred tax assets					
Expenses deductible in future years	37.48		-	-	37.48
Others	(9.10)	(6.89)	15.16		(0.83)
Total	28.38	(6.89)	15.16	-	36.65
B. Deferred tax liabilities					
Property, plant and equipment and Intangible assets	(868.99)		73.92		(795.07)
Investment in bonds, mutual funds and equity instruments	(169.70)		(56.51)	-	(226.21)
Others	(45.81)		5.78	-	(40.03)
Total	(1,084.50)	-	23.19	-	(1,061.31)
Net deferred tax liabilities	(1,056.12)	(6.89)	38.35	-	(1,024.66)

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

41.2 Income tax recognised in profit or loss

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Current tax		
In respect of the current year	555.45	1450.59
Deferred tax		
In respect of the current year	(268.37)	(31.46)
Total income tax expense recognised	287.08	1419.13

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

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Profit before tax	1,743.01	5,710.79
Tax at the Indian Tax Rate of 25.168% / 25.168 %	438.68	1,437.29
Differential tax rate on capital gain on sale of investments/ fair valuation on investment	10.88	(76.02)
Effect of exempted dividend income	-	-

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

41. Income Tax: (Contd.)

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Effect of indexation benefit on value of investment	(191.40)	-
Effect of expenses that are not deductible in determining taxable profit	31.73	42.82
Deferred tax adjustments earlier year due to change in tax rate.	6.09	13.25
Others	(8.90)	1.79
Total	287.08	1,419.13
Current tax	555.45	1,450.59
Deferred tax	(268.37)	(31.46)
Total tax provided	287.08	1,419.13

41.3 Income tax recognised in other comprehensive income

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Arising on income and expenses recognised in other comprehensive income		
Net fair value gain on investment in equity shares at FVTOCI	-	-
Remeasurement of defined benefit obligation	(5.37)	(5.16)
Total income tax recognised in other comprehensive income	(5.37)	(5.16)

42. Financial Instruments and Risk Management

42 (a) Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's gearing ratio was as follows:

The following table provides detail of the debts and equity at the end of the reporting years:

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(All amounts in Rs. lakhs, unless otherwise stated)

for the year ended 31st March 2022

42. Financial Instruments and Risk Management (Contd.)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Borrowings	278.40	35.78
Cash and cash equivalent	536.12	10,216.57
Net Debt	(257.72)	(10,180.79)
Total Equity	21,231.74	39,837.25
Net debt to equity ratio	-	-

42 (b) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31st March 2022 are as follows:

Particulars	Amortized cost	FVTPL	Fair Value (Derivative Instruments)	FVTOCI	Total carrying cost	Total fair value
Financial Assets:						
Cash and cash equivalents	536.12	-	-	-	536.12	536.12
Investments	-	13,122.51	-	280.24	13,402.75	13,402.75
Trade receivables	1,056.52	-	-	-	1,056.52	1,056.52
Loans	17.29	-	-	-	17.29	17.29
Other financial assets	38.39	-	-	-	38.39	38.39
Total	1,648.32	13,122.51	-	280.24	15,051.07	15,051.07
Financial Liabilities:						
Trade payables	4,731.11	-	-	-	4,731.11	4,731.11
Short Term Borrowings	278.40	-	-	-	278.40	278.40
Other financial liabilities	664.06	-	-	-	664.06	664.06
Total	5,673.57	-	-	-	5,673.57	5,673.57

The carrying value and fair value of financial instruments by categories as at 31st March 2021 are as follows:

Particulars	Amortized cost	FVTPL	Fair Value (Derivative Instruments)	FVTOCI	Total carrying cost	Total fair value
Financial Assets:						
Cash and cash equivalents	10,216.57	-	-	-	10,216.57	10,216.57
Investments	-	22,920.10	-	266.73	23,186.83	23,186.83
Trade receivables	1,507.42	-	-	-	1,507.42	1,507.42
Loans	9.93	-	-	-	9.93	9.93
Other financial assets	365.70	-	-	-	365.70	365.70
Total	12,099.62	22,920.10	-	266.73	35,286.45	35,286.45

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

42. Financial Instruments and Risk Management (Contd.)

Particulars	Amortized cost	FVTPL	Fair Value (Derivative Instruments)	FVTOCI	Total carrying cost	Total fair value
Financial Liabilities:						
Trade payables	4141.97	-	-	-	4141.97	4141.97
Short Term Borrowings	35.78	-	-	-	35.78	35.78
Other financial liabilities	610.40	-	-	-	610.40	610.40
Total	4788.15	-	-	-	4788.15	4788.15

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31st March 2022

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments in Mutual Funds/ Bonds/ Preference Shares	-	13,122.51	-	13,122.51
Investments in Quoted Equity Instruments	-	-	-	-
Investments in Unquoted Equity Instruments	-	-	280.24	280.24
Foreign Currency forward contracts	-	-	-	-
Total		13,122.51	280.24	13,402.75
Financial Liabilities				
Foreign Currency forward contracts	-	1.78	-	1.78

As at 31st March 2021

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments in Mutual Funds/ Bonds/ Preference Shares	-	22,920.10	-	22,920.10
Investments in Quoted Equity Instruments	-	-	-	-
Investments in Unquoted Equity Instruments	-	-	266.73	266.73
Foreign Currency forward contracts	-	-	-	-
Total		22,920.10	266.73	23,186.83
Financial Liabilities				
Foreign Currency forward contracts	-	29.55	-	29.55

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for the year ended 31st March 2022

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42. Financial Instruments and Risk Management (Contd.)

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Sensitivity of Level 3 financial instruments are insignificant.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants.

The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Investment in preference shares: Fair value is determined by reference to quotes from fund houses/portfolio management services companies/respective issuer of preference shares, i.e. value of investments.

Derivative contracts: The Company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorized Dealers Banks.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
As at 1 st April 2020	279.22
Purchases	0.00
Gain/ (loss) recognised in OCI	(12.48)
As at 31st March 2021	266.74
Purchases	0.00
Gain/ (loss) recognised in OCI	13.51
As at 31st March 2022	280.25

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

42. Financial Instruments and Risk Management (Contd.)

Financial risk management

The financial assets of the company include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations.

The principal financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The company is mainly exposed to the following risks that arise from financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and investment risk.

(a) Foreign currency risk

The company imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognised assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The Company uses foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency are as follows:

(Foreign Currency in lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
a) Exposure on account of Financial Assets		
Trade receivables (A)		
- In USD	-	-
- In Euro	-	-
- In JPY	-	-

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(All amounts in Rs. lakhs, unless otherwise stated)

for the year ended 31st March 2022

42. Financial Instruments and Risk Management (Contd.)

(Foreign Currency in lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Amount hedged through derivate forwards contracts (B)		
- In USD	-	-
- In Euro	-	-
- In JPY	-	-
Net Exposure to Foreign Currency Assets C=A-B		
- In USD	-	-
- In Euro	-	-
- In JPY	-	-
b) Exposure on account of Financial Liabilities		
Trade Payables and Loans (D)		
- In USD	56.04	51.17
- In Euro	0.02	0.02
- In JPY	-	-
Amount Hedged through derivative forward contracts (E)		
- In USD	(56.04)	(51.17)
- In Euro	-	-
- In JPY	-	-
Net Exposure to Foreign Currency Liabilities (F=D-E)		
- In USD	-	-
- In Euro	0.02	0.02
- In JPY	-	-
Net Exposure to Foreign Currency(F-C)		
- In USD	-	-
- In Euro	0.02	0.02
- In JPY	-	-

Company uses derivative financial instruments exclusively

The following significant exchange rates applied during the year:

Particulars	2021-22 (Average exchange rate)	2020-21 (Average exchange rate)	2021-22 (Year end rates)	2020-21 (Year end rates)
INR/USD	74.51	74.23	75.80	73.12
INR/EURO	86.61	86.62	84.12	85.79
INR/JPY	0.66	0.70	0.62	0.66

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for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

42. Financial Instruments and Risk Management (Contd.)

Foreign currency sensitivity analysis

Any changes in the exchange rate of EURO and USD against INR is not expected to have significant impact on the Company's profit due to the less exposure of these currencies. Accordingly, a 10% appreciation/depreciation of the INR as indicated below, against the EURO and USD would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant:

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
10% Strengthening/weakening of EURO against INR	0.18	0.19

Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The company's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign currency forward held by the company to mitigate the risk of changes in exchange rates on foreign currency exposures.

Particulars	No. of deals	As at 31 st March 2022	No. of deals	As at 31 st March 2021
Contracts against Import				
- In USD	12	97.83	9	83.39
- In EUR	-	-	1	0.13
- In JPY	1	35.62	-	-

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

(b) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

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(All amounts in Rs. lakhs, unless otherwise stated)

42. Financial Instruments and Risk Management (Contd.)

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	Carrying amount (INR In Lakhs)	
	As at 31 st March 2022	As at 31 st March 2021
Short term borrowings	278.40	35.78

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	For the year ended 31 st March 2022 If loans interest rate decreases by 1%	For the year ended 31 st March 2021 If loans interest rate decreases by 1%
Increase/ (decrease) in profit before tax by	2.78	0.36

(c) Security Price Risk Management

Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for 31st March 2022 would increase / decrease by Rs. 14.00 Lakhs (31st March 2021: increase / decrease by Rs. 13.00 Lakhs) as a result of the change in fair value of equity investment measured at FVTOCI.

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(All amounts in Rs. lakhs, unless otherwise stated)

42. Financial Instruments and Risk Management (Contd.)

Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

Mutual fund/Preference share price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

Profit for the year ended 31st March 2022 would increase / decrease by Rs. 131.23 Lakhs (31st March 2021 by Rs. 229.20 Lakhs) as a result of the changes in fair value of mutual fund investments.

(ii) Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due. The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

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

Particulars	As at 31 st March 2022	As at 31 st March 2021
Borrowings		
Less than 1 year	278.40	35.78
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
Trade Payables		
Less than 1 year	4731.11	4141.97
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
Other Financial liabilities		
Less than 1 year	664.06	610.40
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-

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(All amounts in Rs. lakhs, unless otherwise stated)

for the year ended 31st March 2022

42. Financial Instruments and Risk Management (Contd.)

Financial Assets

Particulars	As at 31 st March 2022	As at 31 st March 2021
Investments		
Less than 1 year	7,763.62	17,867.04
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	5358.89	2,526.01
More than 5 years	280.24	2793.78
Trade Receivables		
Less than 1 year	1,056.52	1,507.42
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
Cash and cash equivalents		
Less than 1 year	536.12	10,216.57
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
Bank/FDR's balances other than above		
Less than 1 year		
More than 1 year and upto 3 years	25.79	0.26
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
Loans		
Less than 1 year	11.46	4.30
More than 1 year and upto 3 years	5.83	5.63
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
Other financial assets		
Less than 1 year	12.60	365.44
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-

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42. Financial Instruments and Risk Management (Contd.)

(iii) Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record.

The company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss:

Particulars	As at 31 st March 2022	As at 31 st March 2021
(a) Revenue from top five customers		
- Amount of sales	15,943.76	17,605.88
- % of total sales	52.56%	62.84%
(b) Financial assets for which loss allowance, measured		
- Trade Receivables	-	-
Loss allowance is as follows:		
(c) Opening Balance	4.84	4.84
Provided during the year	-	-
Reversed during the year	-	-
Closing Balance	4.84	4.84

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

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

43. In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

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44. The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available

Sr no	Particulars	As at 31 st March 2022	As at 31 st March 2021
(i)	Principal amount remaining unpaid	117.12	38.39
(ii)	Interest due thereon remaining unpaid	-	-
(iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of payment made to the supplier beyond the appointed day during the period	-	-
(iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
(v)	Interest accrued and remaining unpaid	-	-
(vi)	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	-	-

45. Expenditure incurred on Corporate Social Responsibility.

As per section 135 of the Companies Act, 2013, a company meeting the applicable threshold, need to spend at least 2% of the average net profit for the immediate preceding three financial years on CSR activities as defined in Schedule VII of the Companies Act 2013.

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
a. Amount required to be spent by the company during the year,	83.27	79.53
b. Amount of expenditure incurred:*	85.22	70.70
c. Shortfall at the end of the year**	Nil	8.83
d. Total of previous years shortfall	Nil	Nil
e. Related party transactions:	Nil	Nil

*Nature of CSR activities:

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
a) Promoting Education	23.37	41.09
b) Promoting Healthcare	38.22	45.67
c) Rural Development Projects	33.08	31.54
Total	94.67	118.30

** Shortfall amount at the end of the year pertains to "Ongoing Multiyear Projects" and shall be completed in next financial year.

There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

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46. A. Disclosure under Ind AS 115 " Revenue from Contracts with Customers"

a. Disaggregated revenue information

Type of goods	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Revenue from Acrylic Fibre and Tow	29,138.08	27,557.51
Revenue from Trading Goods (Acrylonitrile)	1,172.68	426.59
Total Revenue from Operations	30,310.76	27,984.10
Total Revenue from Contracts with Customers		
Revenue from Customers based in India	29,316.41	27,983.13
Revenue from Customers based outside India	-	0.97
Total Revenue from Contracts with Customers	29,316.41	27,984.10
Timing of Revenue Recognition		
Goods transferred at a point in time	30,310.76	27,984.10

b. Trade receivables and Contract Customers

Particulars	As at 31 st March 2022	As at 31 st March 2021
Trade Receivables	1,056.52	1,507.42

Trade receivables are non- interest bearing and are generally on terms of 0- 90 days. Rs. 4.84 Lakhs was recognised as provision for expected credit losses on trade receivables.

Trade receivables are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as a receivable.

A receivable is right to consideration that is unconditional upon passage of time.

c. Contract Liabilities

Contract Liabilities includes long term or short term advances received from customers to deliver goods.

The amount of revenue recognized during the year for the amount included in contract liabilities at the beginning of the year is Rs.8.25 Lakhs (previous year Rs. 61.33 Lakhs).

d. Reconciliation of the amount of revenue recognized in the statement of Profit and Loss with contract price

Particulars	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Revenue as per Contract Price	30,489.09	28,511.15
Less : Adjustments		
Sale Return	-	-
Discount	178.33	527.05
	30,310.76	27,984.10

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for the year ended 31st March 2022

46. A. Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

e. Performance obligation and remaining performance obligation

The performance obligation is satisfied upon the delivery of Acrylic Fibre and payment is generally due within 0 days to 90 days after the delivery.

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on 31st March, 2022, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

B. Assets pledged as Security:-

The Carrying amount of assets pledged as security for current borrowings are as follows:-

Particulars	As at 31 st March 2022	As at 31 st March 2021
Non-Current Investments		
*Nil (31 March 2021: 25,000,000) Units of Rs. 10/- each of SBI SDFC C - 16 (1100 Days) Direct Growth	-	3142.43
Total Assets pledged as securities	-	3142.43

The Above investment is lien marked against Overdraft facility of Rs. 2,217 Lacs from HDFC Bank since 18-December-2018.

C. Reconciliation of changes in liabilities arising from financing activities including both changes arising from cash flow and non-cash changes as per the requirement of Ind AS-7 'Statement of Cash Flows'.

Particulars	Year ended 31 st March 2022		Year ended 31 st March 2021	
	Current Borrowings	Non-current Borrowings (incl. current maturities)	Current Borrowings	Non-current Borrowings (incl. current maturities)
Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	35.78	-	141.88	-
Changes during the year				
a) Changes from financing cash flow	242.62	-	(106.10)	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-	-	-
c) the effect of changes in foreign exchanges rates- (Gain)/Loss	-	-	-	-
d) Changes in fair value	-	-	-	-
e) Other Changes	-	-	-	-
Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	278.40	-	35.78	-

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

- 47.** On account of COVID-19 pandemic, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to temporarily shut down of company's manufacturing facilities and operations for some period during first quarter. Since then the Government of India progressively relaxed lockdown conditions and has allowed industry to resume its operations. The Company has made assessment of its liquidity position for the current year and the recoverability and carrying value of its assets comprising property, plant and equipment, right of use assets, investments, inventories and trade receivables. The Company has considered internal and external sources of information for making said assessment. On the basis of said assessment, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising out of the future economic conditions and its impact on the business of the Company.
- 48.** The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective.

49. Ratios:

Particulars	Numerator	Denominator	31/03/2022	31/03/2021	%age change	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	2.31	4.91	-53.00%	Refer note 1
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.01	0.00	1359.79%	Refer note 2
(c) Debt-service coverage ratio	Earnings available for debt service: = Net profit after taxes + Depreciation/ amortizations + finance cost+ Loss on sale of fixed assets	Debt Service: = Finance cost & lease payments + principal repayments	52.18	92.29	-43.46%	Refer note 3
(d) Return on equity ratio	Net profits after taxes	Average shareholder's equity	6.86%	10.77%	-36.35%	Refer note 3
(e) Inventory turnover ratio	Revenue from operations	Average Inventory	4.30	4.49	-4.31%	-
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	23.66	22.80	3.78%	-
(g) Trade payables turnover ratio	Total purchases	Average Trade payables	6.30	4.29	46.90%	Refer note 4
(h) Net Capital turnover ratio	Revenue from operations	Working Capital = Current Assets - Current Liabilities	2.76	0.94	192.24%	Refer note 5

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

49. Ratios: (Contd.)

Particulars	Numerator	Denominator	31/03/2022	31/03/2021	%age change	Remarks
(i) Net Profit ratio	Net profits after taxes	Revenue from operations	4.80%	15.32%	-68.66%	Refer note 3
(j) Return on capital employed	Earnings before interest and taxes	Capital Employed	8.00%	14.09%	-43.21%	Refer note 3
(k) Return on investment	Interest on Fixed deposits + Profit on sale of investments + Fair valuation gain on investments	Average Investment	4.97%	5.17%	-3.83%	-

Remarks for more than 25 % change in ratios of FY 2021-22 as compared to FY 2020-21:

1. This ratio has decreased from 4.91 in 2020-21 to 2.31 in FY 2021-22 mainly due to decrease in investments in mutual funds and fixed deposits, which was mainly due to payment of interim dividends from the sale proceeds of these investments.
2. Debt-Equity ratio has increased in FY 2021-22 due to increase in short term borrowings and decrease in shareholder's equity which was mainly due to declaration of interim dividend during the year 2021-22.
3. This ratio has decreased as compared to previous year, mainly on account of lower earnings by Rs.28.56 cr. Lower earnings are on account of lower production and sales due to flash strike and market conditions.
4. Trade payables turn over ratio is higher, mainly due to higher value of purchases in FY 21-22 as compared to FY 20-21. Higher purchase is mainly on account of higher prices of Raw materials (ACN/VAM) and Fuels (Coal)
5. Net capital turnover ratio is higher, mainly on account of lower net working capital. Net working capital is lower due to lower current assets as compared to year ended as on 31.03.21.

50. The company does not have any Benami property, where any proceeding have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

51. The company has not been declared as willful defaulter by any bank or financial Institution or other lender.

52. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

53. The company does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes of Financial Statements

for the year ended 31st March 2022

(All amounts in Rs. lakhs, unless otherwise stated)

- 54.** The company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 55.** The company has not received any fund from any person or entity, including foreign entities (Funding parties) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 56.** The Company has not traded or invested in Crypto currency or Virtual Currency, during the financial year.
- 57.** There are no loans or advances in the nature of loans granted to Promoters, Directors, Key Managerial Personnel and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
- (a) repayable on demand; or
 - (b) without specifying any terms or period of repayment.
- 58.** The company has taken unsecured borrowings from banks (No security provided). The quarterly returns/statements are not required to be filed by the company with the banks.
- 59.** The company does not have any charge or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- 60.** Previous year figures in the financial statements, including the notes thereto, have been reclassified wherever required to confirm to the current year presentation/classification.

For and on behalf of the Board of Directors

Satin Katyal

Company Secretary
Membership No:-A40578

Vivek Gupta

Chief Financial Officer

B.K.Choudhary

Managing Director
DIN:00307110

S.P. Oswal

Chairman
DIN: 00121737

Place: Ludhiana
Date: 16th May, 2022

Place: Gurugram
Date: 16th May, 2022

Place: Gurugram
Date: 16th May, 2022

Place: Ludhiana
Date: 16th May, 2022



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VARDHMAN ACRYLICS LIMITED

CHANDIGARH ROAD, LUDHIANA - 141 010

CIN: L51491PB1990PLC019212

