

Annual Report 2010-11



Vardhman

VARDHMAN ACRYLICS LIMITED

BOARD OF DIRECTORS

Mr. Shri Paul Oswal	<i>Chairman</i>
Mr. Sachit Jain	
Mr. Munish Chandra Gupta	
Mr. Sanjit Paul Singh	
Dr. Arvind Kumar Bakhshi	
Mr. Darshan Lal Sharma	
Mr. Surinder Kumar Bansal	
Mr. Bal Krishan Choudhary	<i>Managing Director</i>

VICE-PRESIDENT (COMMERCIAL)

Mr. Gopal Kakhani

COMPANY SECRETARY

Mr. Sanjay Gupta

AUDITORS

M/s. S.S. Kothari Mehta & Co.
Chartered Accountants
New Delhi

BANKERS

State Bank of Patiala
ICICI Bank Limited

REGISTERED & CORPORATE OFFICE

Vardhman Premises, Chandigarh Road
Ludhiana - 141 010
Phones : (0161) 2228943 - 48
Fax : (0161) 2601048, 2602710 & 2222616
E-mail: secretarial.lud@vardhman.com
Web site: www.vardhman.com

BUSINESS OFFICE

5th Floor, Sagar Plaza Building
19, Laxmi Nagar District Centre
Vikas Marg, New Delhi - 110 092

WORKS

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

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NOTICE

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the Members of the Company will be held on Saturday, the 23rd day of July, 2011 at 3.00 p.m. at Registered Office of the Company situated at Vardhman Premises, Chandigarh Road, Ludhiana, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date together with the Report of Auditors and Directors thereon.
2. a) To appoint a Director in place of Mr. S.P. Oswal, who retires by rotation in accordance with Article 126 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
b) To appoint a Director in place of Mr. S.P. Singh, who retires by rotation in accordance with Article 126 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year 2011-2012 and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-
"RESOLVED THAT in partial modification of earlier resolutions passed by the Members of the Company in their Annual General Meetings held on 30.08.2008 and 19.07.2010 and pursuant to the provisions of Section 269 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, other terms and conditions remaining the same, the remuneration payable to Mr. B.K Choudhary, Managing Director, be and is hereby enhanced w.e.f. 01.04.2011, as follows :-

- I) **BASIC SALARY** : Rs. 95,000/- p.m.
- II) **SPECIAL ALLOWANCE** : Rs. 25,000/- p.m.
- III) **COMMISSION** :
1% of the net profits of the Company, however, the same shall not exceed 50% of the Basic Salary.

IV) PERQUISITES :

The perquisites shall be allowed in addition to basic salary and special allowance, subject to a maximum of one year's basic salary.

a) House Rent Allowance :

Free residential accommodation or House Rent Allowance equal to 40% of salary. Free furnishing is to be provided by the Company along with other amenities. The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-Tax Rules, 1962.

b) Medical Re-imburement :

Re-imburement of medical expenses incurred by the Managing Director (including medi-claim insurance premium) on self and his family, subject to a ceiling of Rs. 50,000/- in a year.

c) Leave Travel Allowance :

The expenses incurred on leave travel by the Managing Director on self and his family shall be reimbursed once in a year subject to a maximum of Rs. 40,000/- per annum.

d) Car & Telephone :

Free use of Company's car for official work as well as for personal purposes along with driver and telephone at Company's cost.

e) Club Fee :

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

V) PROVIDENT FUND :

The Contribution to the Provident Fund shall be subject to the Rules framed by the Company in this regard.

Explanation : "Family" means the spouse and the dependant children.

RESOLVED FURTHER THAT Mr. S.P. Oswal, Chairman, be and is hereby authorized, on behalf of the Company, to incorporate the above said change in terms of appointment of Mr. B.K Choudhary in the Agreement entered into with him by the Company."

By Order of the Board

Place : New Delhi
Dated : 9th May, 2011

(Sanjay Gupta)
Company Secretary

NOTES:

1. 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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A BLANK PROXY FORM IS ENCLOSED.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 4 of the Notice is annexed hereto and the information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the directors seeking re-appointment in the Annual General Meeting, as proposed in item no. 2 of the Notice, is also being annexed hereto separately and both form part of the Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 12th July, 2011 to 23rd July, 2011.
4. Members desiring any information as regards Accounts are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
5. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 a.m. to 12.30 p.m.
6. Members are requested to bring their copy of Annual Report alongwith them to the Annual General Meeting.
7. The Ministry of Corporate Affairs ("MCA") has vide Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, taken a 'Green Initiative in Corporate Governance', by allowing paperless compliances through electronic mode, allowing to send documents such as Notice convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report, etc. and any other notice/documents, henceforth in electronic form in lieu of the paper form.

In case you wish to support your Company's concern to prevent global environment degradation, you are requested to please register your E-mail ID with your DP, if you hold the Company's shares in electronic form, under intimation to the Registrar & Transfer Agent through your registered E-mail ID. However, if you hold the shares in physical form then you may register your E-mail ID with the Registrar & Transfer Agent of the Company by sending a letter under your Registered signature at the below mentioned address:-

M/s MCS LIMITED
Office No. 21/22, Ground Floor, Jamnadas Building,
5, P.D. Mello Road (Ghadiali Gudi),
Masjid, Mumbai – 400 009
Phone: 022-23726253-6255, Fax: 022-23726252
E-mail: mcspanvel@yahoo.co.in

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

ITEM NO. 4 OF THE SPECIAL BUSINESS:

The Members of the Company in their Annual General Meeting held on 30.08.2008 had approved the appointment of Mr. B.K. Choudhary as Managing Director of the Company for a period of five years w.e.f. 12.05.2008, at a remuneration as detailed in the resolution. The remuneration of Mr. Choudhary was revised by the Members in their Annual General Meeting held on 19.07.2010. Now, the Board of Directors of the Company in its meeting held on 09.05.2011 has approved to enhance the remuneration payable to Mr. Choudhary, as detailed in the resolution. The said change in the

remuneration of Mr. Choudhary is subject to the approval of the Members. Accordingly, your approval is solicited.

MEMORANDUM OF INTEREST :

None of the Directors except Mr. B.K. Choudhary, is concerned or interested in the resolution.

By Order of the Board

**Place : New Delhi
Dated : 9th May, 2011**

**(Sanjay Gupta)
Company Secretary**

Information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking re-appointment in the Annual General Meeting

Name of the Director	Mr. S.P. Oswal	Mr. S.P. Singh
Date of Birth	08.04.1942	16.09.1959
Date of Appointment	24.12.1990	17.04.2003
Expertise in specific functional area	Rich business experience of more than 40 years in textile industry	Corporate Strategy, Finance & Accounts and Human Resources
Qualification	M Com. (Gold Medalist)	B.Com.; M.B.A.
Directorships of Other Companies	<ul style="list-style-type: none"> • Vardhman Textiles Limited • Vardhman Holdings Limited • VMT Spinning Company Limited • Vardhman Apparels Limited • Vardhman Yarns & Threads Limited • Vardhman Spinning and General Mills Limited • VTL Investments Limited • Syracuse Investment & Trading Company (P) Limited • Adinath Investment & Trading Company • Devakar Investment & Trading Company (P) Limited • Srestha Holdings Limited • Anklesh Investments (P) Limited • Pradeep Mercantile Company (P) Limited • Plaza Trading Company (P) Limited • Marshall Investment & Trading Company (P) Limited • Santon Finance & Investment Company Limited • Flamingo Finance & Investment Company Limited • Ramaniya Finance & Investment Company Limited • Mahavir Spinning Mills (P) Limited • UTI Trustee Company (P) Limited • Nimbua Greenfield (Punjab) Limited • Confederation of Indian Textile Industry • New Delhi Institute of Management 	Brahaspati Iron and Steel Company (P) Limited
Chairman/Member of Committees of other Companies	Nil	Nil
No. of shares held	10	Nil
Relationship with other Director(s)	Related to Mr. Sachit Jain	Not related to any Director

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their Twenty First Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

1. Financial Results :

The Financial Results for the year are as under: -

Particulars	(Rs. in lacs)	
	2010-11	2009-10
Sales (Gross)	43,033.51	28,673.88
Profit before Depreciation, Interest & Tax (PBDIT)	6,796.40	6,864.45
Interest & Financial Charges	40.62	33.14
Profit before Depreciation & Tax (PBDT)	6,755.78	6,831.31
Depreciation	1,116.90	1,124.28
Profit before Tax	5,638.88	5,707.03
Provision for Tax		
- Current Tax (including Wealth Tax)	2,163.00	1,150.00
- Deferred Tax	(297.84)	212.88
- IT adjustment for earlier years	-	0.01
Profit after Tax	3,773.72	4,344.14
Prior period adjustments (Net)	9.58	0.04
Net Profit	3,764.14	4,344.10
Balance brought from last year	7,008.80	2,664.70
Total carried to Balance Sheet	10,772.94	7,008.80
Earnings per share (Rs.)	3.47	4.00

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a) ACRYLIC FIBRE INDUSTRY – GLOBAL AND INDIAN PERSPECTIVE:

In the year 2010, global total fibre consumption has been estimated to grow by 2.4% over the previous year, though at 84.64 mio MT still remaining below the consumption seen in the year 2007 at 85.55 mio MT. In India, total fibre consumption is estimated to have grown by about 6% in the year 2010. The Chinese total fibre consumption is estimated to have grown by 9.3% in the year 2010. Against this backdrop of growth in total fibre consumption, the growth in acrylic fibre consumption has been estimated to be relatively modest at around 2% globally with little change in Indian and Chinese consumption over the previous year.

The year 2010, specially, the 2nd half witnessed unprecedented increase in cotton prices as a result of several factors. This increase, to a certain extent, led to price increase in other competing fibres especially polyester fibre and to a lesser extent other natural and manmade fibres. It also led to accelerated inter-fibre substitution.

The acrylic fibre prices witnessed drop in the 1st half of

the year 2010-11 both on account of drop in Acrylonitrile prices (major raw material) as also large price differential with polyester fibre prices leading to threats of increased substitution and drop in acrylic fibre demand. However, the volatility in crude oil and propylene prices in the 2nd half of the year 2010-11 led to increase in Acrylonitrile prices leading to pulling up of acrylic fibre prices also. The increase in polyester fibre prices in tandem with cotton also supported recovery in acrylic fibre prices. The continuous trend of increase in Acrylonitrile prices led to inventory value gains for Indian fibre producers. The effective spread of acrylic fibre industry improved in the 2nd half of the year which is reflected in the overall performance of the Company. The acrylic fibre industry operating rate was around 86% in the year globally. The operating rate of domestic acrylic fibre industry was also at almost this level.

The availability and prices of Acrylonitrile have major influence on the performance of acrylic fibre industry. The demand of Acrylonitrile increased by around 7% in the year 2010 leading to a tight balance between demand and supply. With fresh Acrylonitrile capacity coming up in Asia in the year 2011, the tight balance is likely to ease slightly. On medium term basis, the demand and supply of Acrylonitrile is likely to maintain a close balance.

The global structure of acrylic fibre market shows capacity in few countries with very little or no domestic consumption. The producers from these countries have to depend mainly on exports. The dumping by these producers in countries like ours is a continuous and live threat.

b) FINANCIAL ANALYSIS & REVIEW OF OPERATIONS:

• PRODUCTION & SALES REVIEW:

The total production during the year under consideration was 20,044 MT as against 18,506 MT in the previous year. Your Company has achieved a turnover of Rs. 43,033.51 lacs against a turnover of Rs. 28,673.88 lacs in the previous year. After providing for depreciation of Rs. 1,116.90 lacs (previous year Rs. 1,124.28 lacs) and provision for current tax (including wealth tax) of Rs. 2,163.00 lacs (previous year Rs. 1,150.00 lacs), deferred tax (net of adjustments) of Rs. (297.84) lacs (previous year Rs. 212.88 lacs), and income tax adjustments for earlier years of Rs. Nil lacs (previous year 0.01 lacs), Profit after tax of the Company is Rs. 3,773.72 lacs as against Rs. 4,344.14 lacs in the previous year.

• RESOURCE UTILISATION:

i) Fixed Assets:

The gross fixed assets (including work-in-progress) as at 31st March, 2011 were Rs. 23,728.90 lacs as compared to Rs. 23,581.91 lacs in the previous year.

ii) Current Assets:

The net current assets as on 31st March, 2011 were Rs. 9,804.03 lacs as against Rs. 9,107.08 lacs in the previous year. Inventory level was at Rs. 4,535.92 lacs as against Rs. 4,460.88 lacs in the previous year.

• FINANCIAL CONDITIONS & LIQUIDITY:

Liquidity & Capital Resources:

	(Rs. in Lacs)	
	2010-2011	2009-2010
Cash & cash equivalents:		
Beginning of the year	338.57	160.37
End of the year	431.48	338.57
Net cash provided/(used) by:		
Operating Activities	1,612.78	4,399.52
Investing Activities	(1,505.72)	(4,288.64)
Financial Activities	(14.15)	67.32

c) BUSINESS OUTLOOK:

The global economic growth in the year 2010 at more than 3.5% and expected growth in the year 2011 and 2012 around 4% p.a. lend confidence in world economic recovery. The Indian economy is expected to grow between 7 to 8% in the year 2011-12 and beyond in the remaining period of 12th five year plan period. The increase in per capita income will support the demand of textile products within the country. The forecast of normal monsoon in the year 2011 is also a positive factor. The Government of India has extended TUFs for the remaining part of the 12th five year plan which will encourage creation of fresh textile capacity deploying modern technology both for domestic and export markets. Many global textile brands and retailers are looking beyond China for outsourcing. These are some of the major factors which augur well for growth of textile industry in India. The acrylic fibre industry is also likely to be a beneficiary of this growth.

There are several factors which seem to pose challenges some of which look formidable. Due to geopolitical and other factors, crude oil prices are once again on a boil. The commodity prices have touched unprecedented levels. The food prices have shot up globally. The inflationary pressures are leading to tight monetary policies which may adversely impact the growth momentum. These factors may slow down the economic recovery world over and specially could be very challenging for emerging economies and poorer countries.

For acrylic fibre industry, structural issues of propylene market besides increase in crude oil prices are very important. These two factors alongwith planned and unplanned turnarounds of Acrylonitrile plants in the 1st half of the year 2011 have led to historically high prices of Acrylonitrile at the time of writing this report. On the

other hand, cotton and polyester prices have shown some downward movement in the recent weeks. Though increase in Acrylonitrile prices warrant increase in acrylic fibre prices, the market may not accept the increase. Besides shrinkage in demand due to macro economic factors, the difference between acrylic fibre and polyester prices has widened which may encourage substitution. The margins of acrylic fibre producers are likely to come under pressure.

The coming financial year 2011-12 is likely to be a difficult period on account of pressures both on demand and prices of acrylic fibre as also risk of inventory value losses. But management will remain vigilant and deal with the situation with prudence and foresight. Nevertheless, the year will be full of challenges and the effect on performance cannot be ruled out.

d) INTERNAL CONTROL SYSTEM:

The internal audit is well designed and adequate to review all systems, processes and controls of the Company. It covers review and examination of compliances with all policies, procedures and statutory requirements. The suggestions for improvement of systems and processes form part of the recommendations of the internal audit team. The findings and recommendations of the internal audit team are discussed and examined by the senior management and the audit committee of the board. The timely implementation of the corrective measures is tracked.

e) MANAGEMENT PERCEPTION OF RISK & CONCERNS:

The principal raw material Acrylonitrile and Vinyl Acetate Monomer are both petrochemical derivatives and are highly susceptible to volatility in crude oil prices. The propylene market structure, shortages and fluctuating prices further add to the volatility.

There are only a limited number of large Acrylonitrile producers in the world which influence the supply and pricing of Acrylonitrile. Raw material sourcing and prices are a major risk area for the Company. In the first five months of the year 2011, Acrylonitrile prices have touched historically high levels as a result of combination of the above said factors. The present prices look to be disconnected with long term values in the supply chain. Any sharp correction is likely to add to the woes of the acrylic fibre industry.

The inter-fibre substitution in particular of acrylic fibre by polyester remain an area of concern. The inflationary pressures may lead to slower economic growth rates both in India and globally and may adversely impact textile consumption including acrylic fibre consumption. Changes in monsoon pattern and its impact on agriculture incomes, climatic conditions such as length of winter season and fashion trends may become factors of concern.

f) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

The Company continued with its efforts of creating a learning organization and the emphasis on development of the potential of its people through training and development. The functional training programmes were reviewed and further strengthened by incorporating continuously the learnings from operations and our customers. The efforts to strengthen positive work environment, promote innovation and excellence were renewed. The Company has always placed great emphasis on building a culture of mutual trust and harmony. The efforts in this direction were continued. The industrial relations remained harmonious and peaceful during the year.

The Company employed over 290 persons during the year.

3. DIRECTORS:

Mr. S.P. Oswal and Mr. S.P. Singh, Directors of your Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that -

- i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed;
- ii) appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on 31st March, 2011;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the annual accounts have been prepared on a going concern basis.

5. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance

as stipulated under Corporate Governance Clause of the Listing Agreement is annexed to the report on Corporate Governance.

6. AUDITORS:

M/s. S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

7. AUDITORS' REPORT:

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

8. PERSONNEL:

None of the employees has received a salary of Rs. 60.00 lac per annum or Rs. 5.00 lac per month or more during the financial year 2010-2011. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

9. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The optimal utilisation of energy remained a major focus area and a number of steps were taken in this direction. The information required under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to these matters is appended hereto and forms part of this report.

10. ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere gratitude to the Government Authorities, Financial Institutions & Bankers for their continued and valuable co-operation and support to the Company.

Your Directors express their deep appreciation for the devoted and sincere efforts put in by the members of the team at all levels of operations in the Company during the year. The Company feels confident of continued co-operation and efforts from them in future also.

For and on behalf of the Board

Place : New Delhi
Dated: 9th May, 2011

(S.P. Oswal)
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

I. CONSERVATION OF ENERGY:

Variable Frequency Drives were installed at various equipments as a measure to conserve electrical energy, during the period under report.

FORM-A:

A) POWER AND FUEL CONSUMPTION:

PARTICULARS	UNIT	2010-2011	2009-2010
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1. Electricity:

a) Purchased:			
Units	(KWH in lacs)	Nil	Nil
Total amount	(Rs. in lacs)	Nil	Nil
Rate per unit	(Rs./KWH)	Nil	Nil

b) Own Generation:

i) Through Diesel

Generator	(KWH in lacs)	3.39	5.27
Unit per Litre of Diesel Oil	(KWH)	3.29	2.86
Cost/Unit	(Rs./KWH)	11.04	12.67

ii) Through Turbines

(KWH in lacs)		261.34	250.38
Unit per Kg. of Coal/Lignite	(KWH/Kg.)	1.16	1.26
Total Cost	(Rs. in lacs)	601.82	515.69
Cost/Unit	(Rs./KWH)	2.30	2.06

2. Coal (used in Boiler for generation of Process Steam):

Quantity	(MT)	33836	29709
Total Cost	(Rs. in lacs)	902.74	773.54
Average Rate	(Rs. per MT)	2,668	2,604

3. Furnace oil (used in Boiler for generation of Steam):

Quantity	(K. Ltrs.)	93.49	109.90
Total Cost	(Rs. in Lacs)	23.31	27.87
Average Rate	(Rs. per Ltrs.)	24.94	25.36

B) CONSUMPTION PER UNIT OF PRODUCTION:

Acrylic Fibre/Acrylic Tow

Electricity	(KWH/KG)	1.32	1.38
Coal (used in Boiler for generation of Steam)	(MT/MT)	1.69	1.61
Furnace Oil (used in Boiler for generation of steam)	(K.Ltrs./MT)	0.005	0.006

II. TECHNOLOGY ABSORPTION:

Efforts made in Technology Absorption are furnished as per Form-B of Annexure to the Rules as under :-

FORM-B:

A) RESEARCH AND DEVELOPMENT (R&D)

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

- Successful changeover of co-monomer

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

- Savings in cost of production.

(iii) Future plan of action:

- Increase in productivity.
- Efforts to produce specialty fibres.

(iv) Expenditure on R&D:

	(Rs. In lacs)	
	2010-11	2009-10
Non- Recurring	—	—
Percentage of turnover	—	—

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

(i) Efforts made towards technology absorption, adaptation and innovation

- Higher production from new Polymerization Reactor.
- Use of new Baler for packing waste fibre.

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

- Ease of handling and savings in transportation cost.
- Increased productivity.

(iii) In case of imported technology (imported during the last 5 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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in lacs)	
	2010-11	2009-10
Foreign Exchange earned (FOB)	Nil	Nil
Foreign Exchange used (on accrual basis)	18,784.10	9,035.30

CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report. It assumes a great deal of importance in the business life of the Company. The Company's goal is to find creative and productive ways of delighting its stakeholders i.e. investors, customers & associates, while fulfilling the role of a responsible corporate representative committed to best practices. This section besides being in compliance of the provisions of Listing Agreement gives an insight into the process of functioning of the Company.

1. COMPANY'S PHILOSOPHY:

- Ø Faith in bright future of Indian textiles and hence continued expansion in areas "which we know best".
- Ø Total customer focus in all operational areas.
- Ø Products to be of best available quality for premium market segments through Total Quality Management (TQM) and zero defect implementation.
- Ø Global orientation.
- Ø Integrated diversification / product range expansion.
- Ø World class manufacturing facilities with most modern R&D and process technology.
- Ø Faith in individual potential and respect for human values.
- Ø Encouraging innovation for constant improvement to achieve excellence in all functional areas.
- Ø Accepting change as a way of life.
- Ø Appreciating our role as a responsible corporate citizen.

2. BOARD OF DIRECTORS:

- (a) **Composition:** The Board of Directors comprises of a Non-Executive Chairman, a Managing Director and six Non-Executive Directors. Out of the total strength of eight directors, four directors are independent, thus it meets the stipulated requirement.
- (b) **Board Meetings:** During the financial year 2010-2011, the Board met four times on 28.04.2010, 10.07.2010, 28.10.2010 and 08.02.2011.

The composition of the Board of Directors and Directors attendance at the Board Meetings and at last Annual General Meeting of the Company, as also the number of Directorships/Chairmanships held by them in other public limited companies, during the financial year 2010-11 are as follows:-

Name of Director	Designation & Category	Number of Board Meetings attended	Attendance at last AGM	Directorships in other Public Ltd. Companies	Committee Memberships in other Public Ltd. Companies	Board Chairmanships in other Public Ltd. Companies	Committee Chairmanships in other Public Ltd. Companies
Mr. S.P. Oswal	Non-Executive Chairman, Non Independent	3	No	11	—	6	—
Mr. B.K. Choudhary	Managing Director, Non Independent	4	No	1	—	—	—
Mr. Sachit Jain	Non-Executive Director, Non Independent	—	Yes	13	5	1	2
Mr. D.L. Sharma	Non-Executive Director, Non Independent	1	No	5	5	1	—
Mr. S.P. Singh	Non-Executive Director, Independent	4	No	—	—	—	—
Mr. M.C. Gupta	Non-Executive Director, Independent	4	No	2	2	1	1
Mr. S.K. Bansal	Non-Executive Director, Independent	4	No	1	1	—	—
Dr. A.K. Bakhshi	Non-Executive Director, Independent	4	No	—	—	—	—

3. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the Listing Agreement entered into with the Stock Exchanges as well as Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are as set out in the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee comprises of three directors viz. Mr. S. P. Singh, Mr. M.C. Gupta and Mr. D.L. Sharma. Mr. S. P. Singh is the Chairman of the Committee. Pursuant to the provisions of Clause 49 of the Listing Agreement, all members of the Audit Committee are financially literate and atleast one member is having accounting/related financial management expertise. Managing Director, Statutory Auditors, Internal Auditors and Chief Financial Officer of the Company are permanent invitees to the Committee Meetings. The Company Secretary of the Company is the Secretary to this Committee.

During the financial year 2010-11, the Audit Committee met 4 times on 28.04.2010, 10.07.2010, 28.10.2010 and 08.02.2011. The attendance of the members of the Committee is given below :-

Committee Members	Category	No. of Audit Committee Meetings Attended
Mr. S.P. Singh	Non-Executive, Independent Director	4
Mr. M.C. Gupta	Non-Executive, Independent Director	4
Mr. D.L. Sharma	Non-Executive, Non-Independent Director	1

4. DIRECTORS' REMUNERATION & SHAREHOLDING:

(i) Remuneration:

a) Managing Director:

The Company pays remuneration to the Managing Director as approved by the Board of Directors and the Members of the Company in the General Meeting. During the financial year 2010-11, the Managing Director drew a salary of Rs. 19.65 lacs (Salary - Rs. 12.90 lacs, Commission - Rs. 5.10 lacs, Contribution to P.F. and other funds - Rs. 1.22 lacs and others including perquisites -Rs. 0.43 lacs).

b) Non-Executive Directors:

Non-Executive Directors have not been paid any remuneration except sitting fees for attending Board and Committee Meetings. The details of the sitting fees paid to the Directors during the financial year 2010-11 is given below:-

Sr. No.	Name of Director	Sitting Fee (Rs.)
1.	Mr. S.P. Singh	88,000/-
2.	Mr. M.C. Gupta	93,000/-
3.	Dr. A.K. Bakhshi	48,000/-
4.	Mr. S.K. Bansal	48,000/-

(ii) Shareholding:

None of the Directors hold any shares in the Company except Mr. S.P. Oswal and Mr. Sachit Jain who hold 10 equity shares each of the Company.

(iii) Relationship *inter-se*:

Except Mr. S.P. Oswal and Mr. Sachit Jain, none of the directors of the Company is related to any other director of the Company.

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

To look into the redressal of investors' complaints on various issues, the Company constituted a Shareholders/ Investors Grievance Committee on 17.04.2003. The members of the Committee are Mr. M.C. Gupta, Mr. D.L. Sharma and Mr. B.K. Choudhary. The quorum of the Committee is two members. The Chairman of the Committee is Mr. M.C. Gupta, a non-executive independent director. During the financial year, a meeting of the Committee was held on 29.03.2011 and the same was attended by all the members of the committee.

Mr. Sanjay Gupta, Company Secretary of the Company, is the Compliance Officer for this Committee.

During the financial year 2010-11, the Company has received 5 complaints. The complaints are related to Non-receipt of Annual Report etc.. All the complaints have been duly resolved by the Company.

6. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings are given as follows :-

Financial Year (ended)	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
31st March, 2010 - 20 th AGM	Friday, 19 th July, 2010 at 12.30 pm	Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010.	1
31st March, 2009 - 19 th AGM	Friday, 24 th July, 2009 at 12.00 noon	- do -	—
31st March, 2008 - 18 th AGM	Saturday, 30 th August, 2008 at 12.00 noon	- do -	1

The Company has not passed any resolution through postal ballot, during the financial year 2010-2011. It is not proposed to pass any resolution by postal ballot in the forthcoming Annual General Meeting.

7. DISCLOSURES:

There was no material/significant transaction with the directors or the Management, their subsidiaries or relatives, etc. that has any potential conflict with interest of the Company at large. Also, 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.

Further, the Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company may also take-up the non-mandatory requirements of Clause 49 in due course of time.

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 Exchanges and the Registrar of Companies. The quarterly results are published in prominent daily newspapers viz. the 'Business Standard' and the 'Desh Sewak'. The results of the Company are also made available at the web-site of the Company www.vardhman.com.

9. GENERAL SHAREHOLDERS' INFORMATION:

i) 21st Annual General Meeting:

Date	: 23rd July, 2011
Time	: 3.00 p.m.
Venue	: Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010

ii) Financial Calendar 2011-2012 (Tentative):

First Quarter Results	: July, 2011
Second Quarter Results	: October, 2011
Third Quarter Results	: January, 2012
Annual Results	: May, 2012

iii) Dates of Book Closure : 12th July, 2011 to 23rd July, 2011.

iv) Dividend payment date : The Board of Directors has not recommended any dividend for the financial year 2010-11.

v) Listing : The shares of the Company are listed on the following two Stock Exchanges:

1. The National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai-400 051
2. The Ludhiana Stock Exchange Limited (LSE), Feroze Gandhi Market, Ferozepur Road, Ludhiana-141 001

The Company has duly paid the listing fee to both of the aforesaid Stock Exchanges for the financial year 2011-12.



vi) Stock Code :

- The National Stock Exchange of India Ltd. : VARDHACRLC
- The Ludhiana Stock Exchange Ltd. : VACR

vii) Stock Market Data:

The month-wise highest, lowest and closing stock prices of the Company vis-à-vis BSE Sensex during the financial year 2010-11 are given below :-

Financial Year 2010-11	Share Prices of the Company				BSE Sensex			
	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	% age change over last month's closing	Highest	Lowest	Closing	% age change over last month's closing
April	16.25	10.90	15.65	44.23	18,047.86	17,276.80	17,558.71	0.17
May	16.20	12.00	12.85	-17.89	17,536.86	15,960.15	16,944.63	-3.49
June	14.50	12.25	13.55	5.44	17,919.62	16,318.39	17,700.90	4.46
July	16.75	13.10	15.55	14.76	18,237.56	17,395.58	17,868.29	0.95
August	16.75	13.10	13.15	-15.43	18,475.27	17,819.99	17,971.12	0.57
September	16.00	11.50	13.85	5.32	20,267.98	18,027.12	20,069.12	11.67
October	16.05	13.30	13.50	-2.53	20,854.55	19,768.96	20,032.34	-0.18
November	14.25	10.45	11.40	-15.55	21,108.64	18,954.82	19,521.25	-2.55
December	13.10	9.50	11.15	-2.19	20,552.03	19,074.57	20,509.09	5.06
January	12.55	9.25	10.25	-8.07	20,664.80	18,038.48	18,327.76	-10.63
February	11.00	9.00	9.70	-5.36	18,690.97	17,295.62	17,823.40	-2.75
March	11.85	9.30	9.65	-0.52	19,575.16	17,792.17	19,591.18	0.75

viii) Registrar & Share Transfer Agents:

Pursuant to the guidelines of Securities and Exchange Board of India (SEBI), the work related to Share Transfer Registry, in terms of both physical and electronic mode, is being dealt at single point with M/s MCS Limited at its address given below :-

M/s MCS LIMITED
Office No. 21/22, Ground Floor, Jamnadas Building,
5, P.D. Mello Road (Ghadiali Gudi),
Masjid, Mumbai – 400 009
Phone: 022-23726253-6255, Fax: 022-23726252
E-mail: mcspanvel@yahoo.co.in

ix) Share Transfer System:

M/s MCS Limited is the Registrar and Share Transfer Agents of the Company. As per the arrangement with Transfer Agents the list of valid transfers prepared by them in respect of share transfer cases and objections, if any, received by them, is placed before the Board/Share Transfer Committee of the Company.

The shares of the Company are traded on the Stock Exchanges compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) of the Company is INE 116G01013.

x) Distribution of Shareholding as on 31st March, 2011:

Range of Number of Shares	SHAREHOLDERS		SHARES	
	Number	Per cent	Number	Per cent
1 - 500	8,416	52.46	2,422,618	2.23
501 - 1000	3,435	21.41	3,227,094	2.97
1001 - 2000	1,676	10.45	2,919,314	2.69
2001 - 3000	634	3.95	1,717,695	1.58
3001 - 4000	278	1.73	1,034,321	0.95
4001 - 5000	464	2.90	2,275,901	2.10
5001 - 10000	542	3.38	4,392,578	4.05
10001 - 50000	482	3.00	10,580,862	9.75
50001 - 100000	63	0.39	4,664,758	4.30
100001 and above	50	0.33	75,297,367	69.38
Total	16,040	100.00	108,532,508	100.00

xi) Dematerialisation of shares:

As on 31st March, 2011, 55.05% of the capital of the Company comprising 5,97,48,748 equity shares, was dematerialised.

xii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion dates and likely impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments during the year.

xiii) Plant location:

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

xiv) Address for correspondence:

Registered Office : Vardhman Premises, Chandigarh Road, Ludhiana-141 010
Tel : (0161) 2228943-48
Fax : (0161) 2601048, 2602710 & 2222616
E-mail : secretarial.lud@vardhman.com

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

DECLARATION UNDER CLAUSE 49

All the Board Members and Senior Management have affirmed compliance to the 'Code of Conduct' for the financial year 2010-11.

Place : New Delhi
Dated : 9th May, 2011

(S.P. Oswal)
Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

**The Members,
Vardhman Acrylics Limited**

We have examined the compliance of conditions of Corporate Governance by **Vardhman Acrylics Limited**, for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated

in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

Place : New Delhi
Dated : 9th May, 2011

(CA Kamal Kishore)
Partner
Membership No.: 078017

AUDITORS' REPORT

To
The Members,
Vardhman Acrylics Limited

1. We have audited the attached balance sheet of **VARDHMAN ACRYLICS LIMITED** ("the Company"), as at 31st March, 2011, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 [as amended by Companies (Auditors' Report) (Amendment) Order, 2004] issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) in the case of the profit and loss account, of the

- profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.
- (vi) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

(CA Kamal Kishore)
Partner

Place : New Delhi
Dated : 9th May, 2011

Membership No.: 078017

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date,

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. All the assets have been physically verified by the Management during the year in terms of a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
3. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
4. As explained to us, physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores and spare parts and raw materials. Further, stock in the possession and custody of third parties and stock in transit as at 31st March, 2011 have been verified by the management with reference to confirmation or statement of account or correspondence with the third parties or subsequent receipts of goods. In our opinion, the frequency of such verification is reasonable.
5. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. On the basis of our examination of the records of inventory, in our opinion, the Company has maintained proper records of inventory and as explained to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
7. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently, clauses (iii)(a) to (iii)(g) of paragraph 4 of CARO are not applicable.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of

inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system.

9. Based on the audit procedures applied by us and according to the information and explanations given to us by the Management, there are no transactions which are required to be entered in the register maintained under Section 301 of the Companies Act, 1956.
 10. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that, there are no transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lacs rupees in respect of each party during the year.
 11. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder.
 12. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 13. According to the information and explanation given to us, the Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products manufactured by the Company.
 14. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, wealth-tax, customs duty, excise duty, cess and other statutory dues applicable to it.
 15. According to the records of the Company examined by us and the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty, and cess were outstanding, as at 31st March, 2011 for a period of more than six months from the date they became payable.
 16. According to the records of the Company examined by us and the information and explanations given to us, there are no dues of sales-tax, income-tax, customs duty, wealth-tax, service-tax, excise duty and cess which have not been deposited on account of any dispute, other than the following: -
17. The Company does not have accumulated losses as at the close of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
 18. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of dues to bank and debenture holders.
 19. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 20. The Company does not fall within the category of Chit fund/ Nidhi/Mutual Benefit Fund/Society and hence the related reporting requirements of the Order are not applicable.
 21. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
 22. According to the information and explanations given to us, the Company has given a counter guarantee of Rs. 232.90 lacs in favour of Gujarat Industrial Development Corporation (GIDC) in relation to the corporate guarantee provided by GIDC for availment of term loans by Bharuch Eco-Aqua Infrastructure Limited, the terms and conditions whereof are not, *prima facie*, prejudicial to the interest of the Company.
 23. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, there are no term loans taken by the Company during the year.
 24. According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, in our opinion, generally, there are no funds raised by the Company on short-term basis, which have been used for long-term investment.
 25. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 26. During the period covered by our audit report, the Company has not issued any debentures.
 27. During the period covered by our audit report, the Company has not raised any money by Public Issue.
 28. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Sr. No.	Nature of dues	Amount due (Rs. in lacs)	Forum where pending
1.	Purchase/Sales Tax on fuel	43.28	Joint Commissioner of Sales Tax-Baroda
2.	Cenvat Credit	12.04	CESTAT-Ahmedabad
3.	Cenvat Credit	2.34	Commissioner (Appeals)-Surat

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No.: 000756N

(CA Kamal Kishore)

Partner

Place : New Delhi
Dated : 9th May, 2011

Membership No.: 078017

**BALANCE SHEET as at 31st March, 2011**

Particulars	Schedule No.	As at 31.03.2011 (Rs. in Lacs)	As at 31.03.2010 (Rs. in Lacs)
A. SOURCES OF FUNDS			
1. Shareholders' Funds:			
a) Share Capital	1	10,853.25	10,853.25
b) Reserves & Surplus	2	11,779.09	8,014.95
2. Loan Funds :			
Secured Loans	3	223.87	234.38
3. Deferred Tax			
		2,271.36	2,569.21
TOTAL		25,127.57	21,671.79
B. APPLICATION OF FUNDS			
1. Fixed Assets :			
a) Gross Block	4	23,728.90	23,581.57
b) Less: Depreciation		13,148.85	12,031.95
c) Net Block		10,580.05	11,549.62
d) Capital Work-in-Progress		-	0.34
		10,580.05	11,549.96
2. Investments			
	5	4,743.49	1,014.75
3. Current Assets, Loans & Advances :			
a) Inventories	6	4,535.92	4,460.88
b) Sundry Debtors	7	740.61	312.63
c) Cash & Bank Balances	8	431.48	338.57
d) Loans & Advances	9	6,159.45	7,097.32
	(A)	11,867.46	12,209.40
Less: Current Liabilities & Provisions :			
a) Current Liabilities	10	1,889.72	2,985.41
b) Provisions		173.71	116.91
	(B)	2,063.43	3,102.32
Net Current Assets	(A-B)	9,804.03	9,107.08
TOTAL		25,127.57	21,671.79

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS

19

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date attached

For S.S. Kothari Mehta & Co.,

Chartered Accountants

Firm Registration No.: 000756N

CA KAMAL KISHORE

Partner

Membership No.: 078017

SANJAY GUPTA

Company Secretary

GOPAL KAKHANI

Vice president

(Commercial)

B.K.CHOUDHARY

Managing Director

S.P.OSWAL

Chairman

Place : New Delhi

Dated : 9th May, 2011

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011

Particulars	Schedule No.	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
INCOME			
Sales (Gross)		43,033.51	28,673.88
Less:Excise Duty		(3,153.87)	(1,625.69)
Sales (Net)		39,879.64	27,048.19
Other Income	11	654.69	408.66
TOTAL		40,534.33	27,456.85
EXPENDITURE			
Raw Material Consumed and Purchase of Finished Goods	12	30,744.79	17,537.12
Manufacturing Expenses	13	2,361.50	2,058.83
Personnel Expenses	14	711.91	648.18
Administrative & Other Expenses	15	414.00	403.92
Interest & Financial Expenses	16	40.62	33.14
Selling & Distribution Expenses	17	52.87	31.35
(Increase)/Decrease in Work-in-Process & Finished Goods	18	(547.14)	(87.00)
Depreciation		1,116.90	1,124.28
TOTAL		34,895.45	21,749.82
Profit/(Loss) before taxation		5,638.88	5,707.03
Less :Provision for			
- Current Tax including Rs. Nil (Previous Year Rs. Nil) for Wealth Tax.		2,163.00	1,150.00
- Deferred Tax		(243.76)	212.88
- Deferred Tax Adjustment		(54.08)	-
- Income Tax Adjustment for earlier years		-	0.01
Profit/(Loss) after taxation		3,773.72	4,344.14
Less : Prior Period Adjustments (Net)		9.58	0.04
Net Profit/(Loss)		3,764.14	4,344.10
Balance brought forward from last year		7,008.80	2,664.70
Balance available for appropriation		10,772.94	7,008.80
Appropriations :			
Transfer to General Reserve		-	-
Balance carried to Balance Sheet		10,772.94	7,008.80
		10,772.94	7,008.80
Earnings per share of Rs.10/- each (Basic & Diluted) (in Rs.)		3.47	4.00

SIGNIFICANT ACCOUNTING POLICIES AND

NOTES ON ACCOUNTS

19

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For S.S. Kothari Mehta & Co.,

Chartered Accountants

Firm Registration No.: 000756N

CA KAMAL KISHORE

Partner

Membership No.: 078017

SANJAY GUPTA

Company Secretary

GOPAL KAKHANI

Vice president

(Commercial)

B.K.CHOUDHARY

Managing Director

S.P.OSWAL

Chairman

Place : New Delhi

Dated : 9th May, 2011

CASH FLOW STATEMENT for the year ended 31st March, 2011

Particulars	Schedule No.	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extraordinary Items		5,629.30	5,706.99
Adjustments for :			
Depreciation	1,116.90		1,124.28
Interest Charged	3.63		6.56
Interest received	(619.71)		(337.80)
(Profit)/Loss on sale of assets (Net)	-		140.71
Liabilities / Provisions no longer required written back	(9.94)	490.88	(3.59)
Operating Profit before Working Capital changes		6,120.18	6,637.15
Adjustments for :			
Decrease/(Increase) in trade & other receivables	(1,240.41)		(522.89)
Decrease/(Increase) in Inventories	(75.04)		(2,553.21)
(Decrease)/Increase in sundry creditors/current liabilities	(1,085.74)	(2,401.19)	1,860.69
Cash generation from operations		3,718.99	5,421.74
Taxes Paid	(2,106.21)	(2,106.21)	(1,022.22)
NET CASH FLOW FROM OPERATING ACTIVITIES		1,612.78	4,399.52
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(147.33)		(214.31)
Sale of fixed assets	-		4.81
Decrease/(Increase) in Inter Corporate Deposits	1,750.30		(3,566.60)
Interest received	619.71		337.80
Investment in Mutual Funds/Liquid Funds/Debt Funds	(3,728.74)		(850.00)
Capital Work-in-Progress	0.34		(0.34)
NET CASH FLOW FROM INVESTING ACTIVITIES		(1,505.72)	(4,288.64)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from short - term borrowings	(10.52)		73.88
Interest paid	(3.63)		(6.56)
NET CASH FLOW FROM FINANCING ACTIVITIES		(14.15)	67.32
NET INCREASE IN CASH AND CASH EQUIVALENTS		92.91	178.20
CASH AND CASH EQUIVALENTS AS ON 01.04.2010		338.57	160.37
CASH AND CASH EQUIVALENTS AS ON 31.03.2011		431.48	338.57

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNT

19

The Schedules referred to above form an integral part of the Cash Flow Statement.

As per our report of even date attached

For S.S. Kothari Mehta & Co.,

Chartered Accountants

Firm Registration No.: 000756N

CA KAMAL KISHORE

Partner

Membership No.: 078017

SANJAY GUPTA

Company Secretary

GOPAL KAKHANI

Vice president

(Commercial)

B.K.CHOUDHARY

Managing Director

S.P.OSWAL

Chairman

Place : New Delhi

Dated : 9th May, 2011

Schedule 1 to 19 Annexed to and forming part of the Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended 31st March, 2011

	As at 31.03.2011 (Rs. in Lacs)	As at 31.03.2010 (Rs. in Lacs)
SCHEDULE 1 – SHARE CAPITAL		
Authorised:		
15,00,00,000 (Previous Year 15,00,00,000)	15,000.00	15,000.00
Equity Shares of Rs.10/- each	<u>15,000.00</u>	<u>15,000.00</u>
Issued, Subscribed & Paid-up		
10,85,32,508 (Previous year 10,85,32,508)		
Equity Shares of Rs.10/- each fully paid-up	10,853.25	10,853.25
TOTAL	<u>10,853.25</u>	<u>10,853.25</u>

NOTES:

- 10,32,438 (Previous Year 10,32,438) Equity shares of Rs 10/- each are allotted as fully paid up, pursuant to a contract with IDBI without payment being received in cash.
- Out of the above, 6,37,53,661 Equity shares (Previous Year 6,37,53,661 Equity Shares) of Rs.10/- each fully paid up are held by Vardhman Textiles Limited i.e. the Holding Company.

SCHEDULE 2 – RESERVES AND SURPLUS

General Reserve		
As per last Account	1,006.15	1,006.15
Surplus i.e. Balance as per annexed Profit & Loss Account	10,772.94	7,008.80
TOTAL	<u>11,779.09</u>	<u>8,014.95</u>

SCHEDULE 3 – SECURED LOANS

Working Capital Borrowings from Banks	223.87	234.38
TOTAL	<u>223.87</u>	<u>234.38</u>

NOTES :

- Working Capital Borrowings from Banks are secured by hypothecation of entire present and future tangible current assets and second charge on all immovable assets.

SCHEDULE 4 – FIXED ASSETS

(Rs. in Lacs)

Sr. Particulars No.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions	Sales/ Adjust- ments	As at 31.03.2011	As at 01.04.2010	Adjust- ments	Depreciation for the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1. Leasehold Land	1,446.81	-	-	1,446.81	161.39	-	14.84*	176.23	1,270.58	1,285.42
2. Buildings	2,420.77	-	-	2,420.77	740.46	-	67.58	808.04	1,612.73	1,680.31
3. Plant & Machinery	19,625.00	138.60	-	19,763.60	11,071.11	-	1,028.43	12,099.54	7,664.06	8,553.89
4. Furniture & Fixtures	54.47	4.46	-	58.93	45.21	-	2.65	47.86	11.07	9.26
5. Vehicles	34.52	4.27	-	38.79	13.78	-	3.40	17.18	21.61	20.74
Current Year	23,581.57	147.33	-	23,728.90	12,031.95	-	1,116.90	13,148.85	10,580.05	11,549.62
Previous Year	23,689.14	214.31	321.88	23,581.57	11,084.04	(176.37)	1,124.28	12,031.95	11,549.62	
Capital Work-in-Progress									-	0.34

NOTE: *Represents proportionate premium for acquisition of leasehold land being amortised over the period of lease.



	As at 31.03.2011 (Rs. in Lacs)	As at 31.03.2010 (Rs. in Lacs)
SCHEDULE 5 - INVESTMENTS (AT COST)		
Long Term Investments : Non-Trade		
(Unquoted)		
16,47,525 (Previous Year 16,47,525) Equity Shares of Bharuch Eco-Aqua Infrastructure Ltd. of Rs 10/- each fully paid up.	164.75	164.75
Current Investments (at lower of Cost and Fair Value) : Other than Trade		
(Unquoted)		
Nil (Previous Year 23,85,970) Units of Rs 10/- each of Reliance Regular Savings Fund - Debt Plan - Growth	-	300.00
Nil (Previous Year 26,91,619) Units of Rs 10/- each of SBI - Magnum Insta Cash Fund - Cash Option	-	550.00
1,000 (Previous Year Nil) Units of Rs 1,00,000/- each of India Infrastructure Finance Company Limited (IIFL)	1,023.10	-
1 (Previous Year Nil) Non-convertible Debenture of Rs. 10,00,00,000/- each of Solaris Holdings Limited	1,056.30	-
7,360 (Previous Year Nil) 8.25% Zero Coupon Bonds of Rs. 13,578/- each of Rural Electrification Corporation of India Limited	999.34	-
50,00,000 (Previous Year Nil) Units of Rs. 10/- each of Reliance Fixed Horizon fund - XVII Series 1 - Growth Plan	500.00	-
1,00,00,000 (Previous Year Nil) Units of Rs. 10/- each of SBI Debt Fund Series - Growth Plan	1,000.00	-
TOTAL	4,743.49	1,014.75
SCHEDULE 6 - INVENTORIES		
(Valued at cost or net realisable value, whichever is lower, as certified by Management of the Company)		
Raw Materials	3,063.66	799.47
Raw Materials in Transit	33.97	2,531.69
Work-in-Process	226.85	203.94
Stores & Spares	408.01	694.71
Finished Goods	803.43	231.07
TOTAL	4,535.92	4,460.88
SCHEDULE 7 - SUNDRY DEBTORS		
(Unsecured)		
- Over six months Considered good	12.68	12.68
- Considered doubtful	4.84	11.72
	17.52	24.40
Less : Provision for doubtful debts	4.84	11.72
	12.68	12.68
- Others -Considered good	727.93	299.95
TOTAL	740.61	312.63
SCHEDULE 8 - CASH & BANK BALANCES		
Cash in Hand	3.70	3.66
Balances with Scheduled Banks:		
- In Current Accounts	427.58	34.71
- In Fixed Deposits	0.20	300.20
TOTAL	431.48	338.57
SCHEDULE 9 - LOANS & ADVANCES		
Advances recoverable in cash or in kind or for value to be received/adjusted	902.51	400.01
Inter Company Deposits to Holding Company (Vardhman Textiles Ltd.)	590.70	5,543.00
Inter Company Deposits to Fellow Subsidiary Company (Vardhman Special Steels Ltd.)	3,202.00	-
Balances & Deposits with Government Authorities & Others	1,464.24	1,154.31
TOTAL	6,159.45	7,097.32
SCHEDULE 10 – CURRENT LIABILITIES & PROVISIONS		
(A) Current Liabilities		
Acceptances	699.51	2,471.76
Sundry Creditors:		
- Total outstanding dues to Micro, Small and Medium Enterprises	23.75	9.28
- Others	611.53	82.43
Trade Deposits & Advances	63.20	22.61
Other Liabilities	491.56	399.33
Interest accrued but not due	0.17	-
TOTAL	1,889.72	2,985.41

		As at 31.03.2011 (Rs. in Lacs)	As at 31.03.2010 (Rs. in Lacs)
(B) Provisions			
Provision for Taxation	3,871.63		
Less: Prepaid Taxes	<u>3,697.92</u>	173.71	116.91
TOTAL		<u>173.71</u>	<u>116.91</u>
		Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
SCHEDULE 11 - OTHER INCOME			
Sale of Scrap		7.68	7.74
Interest Received			
[TDS Rs. 94.07 Lacs(Previous year Rs. 28.12 Lacs)]		619.71	337.80
Claims received		13.98	39.32
Dividend on Current Investment		-	5.47
Sundry balances/Liabilities/Provisions no longer required, written back/off (net)		9.94	3.59
Miscellaneous Receipts		3.38	6.48
Exchange Rate Fluctuation (Net)		-	6.69
Profit on Sale of Fixed Assets		-	1.57
TOTAL		<u>654.69</u>	<u>408.66</u>
SCHEDULE 12 - RAW MATERIAL CONSUMED AND PURCHASE OF FINISHED GOODS			
Opening Stock		799.47	699.62
Purchases of Raw Material		23,947.14	12,375.27
		<u>24,746.61</u>	<u>13,074.89</u>
Less: Closing Stock		3,063.65	799.47
Raw Material Consumed		<u>21,682.96</u>	<u>12,275.42</u>
Add: Purchase of Finished Goods		9,061.83	5,261.70
TOTAL		<u>30,744.79</u>	<u>17,537.12</u>
SCHEDULE 13 - MANUFACTURING EXPENSES			
Power & Fuel		1,565.32	1,383.93
Water charges		170.74	155.43
Stores & Spares		250.42	230.52
Machinery Repairs		375.02	288.95
TOTAL		<u>2,361.50</u>	<u>2,058.83</u>
SCHEDULE 14 - PERSONNEL EXPENSES			
Salaries, Wages & Other Allowances		632.08	563.23
Contribution to Provident and other Funds		56.71	67.33
Employee Welfare		17.86	13.97
Recruitment Expenses		5.26	3.65
TOTAL		<u>711.91</u>	<u>648.18</u>
SCHEDULE 15 – ADMINISTRATIVE & OTHER EXPENSES			
Rent		3.79	3.63
Rates & Taxes		132.89	111.02
Insurance		22.29	18.18
Auditors' Remuneration			
- Audit Fee		1.36	1.06
- Tax Audit Fee		0.24	0.24
- Payment to Auditors in other capacity		0.66	0.35
- Expenses Reimbursed		0.62	0.58
Legal & Professional		48.11	13.33
Travelling & Conveyance		11.55	10.92
Printing & Stationery		9.77	8.69
Postage, Telegram & Telephones		12.45	13.44
Building Repairs		28.66	28.36
Other Repairs		2.56	2.31
Vehicle Expenses		11.64	10.47
Loss on sale of fixed assets/fixed assets w/off		-	142.28
Bad debts written off		5.39	
Exchange Rate Fluctuation (Net)		28.30	-
Charity & Donation		52.66	0.68
Miscellaneous Expenses		41.06	38.38
TOTAL		<u>414.00</u>	<u>403.92</u>



	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
SCHEDULE 16 - INTEREST & FINANCIAL EXPENSES		
Interest on Others	3.63	6.56
Bank & Other charges	36.99	26.58
TOTAL	40.62	33.14
SCHEDULE 17 - SELLING & DISTRIBUTION EXPENSES		
Rebates & Discounts	0.35	0.13
Freight & Cartage	26.68	7.18
Others	25.84	24.04
TOTAL	52.87	31.35
SCHEDULE 18 - (INCREASE)/DECREASE IN WORK-IN-PROCESS & FINISHED GOODS		
Opening Stock		
- Work-in-Process	203.93	122.76
- Finished Goods	231.07	207.51
	435.00	330.27
Less: Closing Stock		
- Work-in-Process	226.85	203.93
- Finished Goods	803.43	231.07
	1,030.28	435.00
	(595.28)	(104.73)
Excise Duty on (Increase)/Decrease in Finished Goods	48.14	17.73
TOTAL	(547.14)	(87.00)

SCHEDULE 19 - SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of preparation:

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumption to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialise.

3) Revenue Recognition:

i) Sales

Sales comprise sale of goods, services and export incentives. Revenue from sale of goods is recognized:

- i) when all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- ii) no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

ii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii) Dividend

Dividend income is recognized when the right to receive the payment is established.

iv) Benefit under Duty Entitlement Pass Book Scheme/Duty Drawback Scheme:

Revenue in respect of the above benefit is recognized on post export basis.

v) Insurance and Other Claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

4) Employees Benefits:

a) Short Term Employee Benefit:

Short Term Employee benefits are recognized as an expense on an undiscounted basis in the Profit & Loss Account of the year in which the related service is rendered.

b) Post Employment Benefits:

i) Defined Contribution Plans:

1.1 Superannuation:

The liability in respect of employees covered under the scheme is provided as per the Company's policy on an accrual basis.

1.2 Provident Fund:

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

ii) Defined Benefit Plans:

1.1 Gratuity:

Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the year-end.

1.2 Leave with Wages:

Provision for leave with wages is made on the basis of actuarial valuation as at the year - end.

1.3 The actuarial gain/loss is recognized in statement of profit and loss account.

5) Fixed Assets:

Fixed Assets are stated at historical cost less depreciation.

6) Intangible Assets:

Intangible assets are stated at cost less accumulated amount of amortization.

7) Depreciation:

(i) Depreciation for the year is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in case of computers in respect of which depreciation has been provided @ 25% on straight-line basis.

(ii) Depreciation on fixed assets costing Rs. 5,000/- or below is charged @ 100% per annum on proportionate basis.

(iii) Leasehold land is amortised over the period of lease.

8) Amortization:

Intangible assets are amortized on straight-line method over their estimated useful life.

9) Investments:

Long term Investments are carried at cost less provision, if any, for diminution in value which is other than temporary and Current Investments are carried at the lower of cost and fair value.

10) Inventories:

Inventories of raw materials, stores and spares, work-in-process and finished goods are valued at cost or net realisable value, whichever is lower. 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 & spares, at weighted average cost plus direct expenses.
- In case of work-in-process, 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, excise duty and other overheads incurred to bring the goods to their present condition and location.

11) Cenvat Credit:

Cenvat credit of excise duty paid on inputs, capital assets and input services is recognised in accordance with the Cenvat Credit Rules, 2004.

12) Expenditure incurred during construction period:

In respect of new/major expansion of units, the indirect expenditure incurred during construction period upto the date of the commencement of commercial production, which is attributable to the construction of the project, is capitalized on various categories of fixed assets on proportionate basis.

13) Subsidy:

Government grants available to the company are recognised when there is a reasonable assurance of compliance with the conditions attached to such grants and where benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature of promoter's contribution is credited to capital reserve. Government subsidy received for a specific asset is reduced from the cost of the said asset.

14) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset 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.

15) Segment Information:

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole.

16) Operating Leases:

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals paid for such leases are recognised as an expense on systematic basis over the term of lease.

17) Foreign Currency Conversion/Translation:

- i) Foreign currency transactions are recorded on initial recognition at the rate prevailing on the date of transaction. Where export bills are negotiated with the bank, the export sales are recorded at the rate on the date of negotiation as the said rate approximates the actual rate at the date of the transaction.
- ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at the closing rate as at the balance sheet date are recognized as income or expense in the period in which they arise.
- iii) The premium or discount arising at the inception of forward exchange contract is amortised as an expense or income over the life of the contract.
- iv) Exchange differences on the aforesaid forward exchange contract are recognised in the statement of profit & loss in the reporting period in which the exchange rates change. Profit or loss arising on cancellation or renewal of such contracts is recognised as income or as expense in the period in which such profit or loss arises.
- v) The exchange difference to the extent of loss, arising on forward contracts to hedge the transactions in the nature of firm commitments and/or highly probable forecast transactions is recognised in the Profit and Loss Account. The profit, if any arising thereon is ignored.

18) Accounting for Taxes on Income:

The accounting treatment followed for taxes on income is to provide for Current Tax and Deferred Tax. Current Tax is the aggregate amount of income-tax determined to be payable in respect of taxable income for a period. Deferred tax is the tax effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

19) Earning per Share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares into equity shares.

20) Impairment of Assets:

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of account.

21) Provision and Contingent Liabilities:

- i) Provision is recognized (for liabilities that can be measured by using a substantial degree of estimation) when:
 - a) the company has a present obligation as a result of a past event;
 - b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - c) the amount of the obligation can be reliably estimated.
- ii) Contingent liability is disclosed in case there is:
 - a) possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise; or
 - b) a present obligation arising from past events but is not recognised
 1. when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 2. a reliable estimate of the amount of the obligation cannot be made.

B. NOTES ON ACCOUNTS:

	As at 31.03.2011 (Rs. in Lacs)	As at 31.03.2010 (Rs. in Lacs)
1. Contingent Liabilities not provided for:		
a) Letters of Credit Outstanding	4,374.77	297.63
b) Bank Guarantees	293.45	206.00
c) Guarantee given by the Company on behalf of another company, to the extent utilized.	232.90	232.90
d) Custom duty, Excise duty and Cenvat Credit under dispute against which appeals have been filed / are being filed.	45.85	66.69
e) Demand in respect of Sales tax/ Purchase tax pending appeal with Appellate Authorities.	43.28	43.28
f) Bonds executed in favour of Govt. Authorities in respect of EPCG license in which export obligation has already been completed in previous year.	-	793.39
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	-	45.45

3. Employees Benefits:

The summarized position of Post-employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) are as under: -

(a) Changes in the present value of the obligations :

Particulars	(Amount in Lacs)			
	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Present value obligation as at beginning of the year	18.42	14.37	61.69	42.29
Interest cost	1.55	1.06	4.66	3.29
Past Service cost	-	-	-	-
Current service cost	10.68	7.67	9.86	9.08
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(0.36)	(3.89)	(13.56)	(7.26)
Actuarial (gain)/ loss on Obligations	(10.37)	(0.79)	2.74	14.29
Present value obligation as at March 31, 2011	19.92	18.42	65.39	61.69

(b) The liability in respect of leave encashment and gratuity is un-funded; therefore, no disclosure of change in fair Value of Plan Assets has been made.

(c) Amount Recognized in Balance Sheet :

Particulars	(Amount in Lacs)			
	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Estimated Present value of obligations as at the end of the year	19.92	18.42	65.39	61.69
Fair value of Plan Assets as at the end of the year	-	-	-	-
Unfunded Net Liability recognized in Balance Sheet	19.92	18.42	65.39	61.69

(d) Expenses Recognized in Profit & Loss Account :

Particulars	(Amount in Lacs)			
	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Current service cost	10.68	7.67	9.86	9.08
Past service cost	-	-	-	-
Interest cost	1.55	1.05	4.66	3.29
Expected return on Plan Assets	-	-	-	-
Curtailment cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(10.37)	(0.79)	2.74	14.29
Total Expense recognised in Profit & Loss Account	1.86	7.93	17.26	26.66

(e) Investment details of Fund: Not Applicable

- (f) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average) :

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Discount Rate (per annum)	8.50%	8.50%	8.50%	8.50%
Rate of increase in compensation levels (per annum)	7.00%	7.00%	6.00%	6.00%
Rate of return on plan assets (per annum)	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	26.13	24.94	26.13	24.86
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

- (g) Other Short term employee's benefits (Un-Funded) :

Particulars	Leave		Leave Travel Encashment		Ex-Gratia	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability as at beginning of the year	6.12	6.30	4.60	8.03	3.16	3.12
Liability as at the end of the year	5.77	6.12	5.58	4.60	3.50	3.16
Benefits paid	-	-	(3.03)	(2.96)	(4.41)	(3.63)
Amount debited to P&L Account	(0.35)	(0.18)	4.01	(0.47)	4.75	3.67

- (h) During the year, the company has recognized an expense of Rs. 31.44 Lac (Previous Year Rs. 30.14 Lac) in respect of Contribution to Provident Fund and Rs. 4.22 Lac (Previous Year Rs. 3.76 Lac) in respect of Contribution to Superannuation Scheme.

4. The Company operates in only one business segment viz. "Acrylic Fibre & Tow", which is the reportable segment in accordance with the requirements of Accounting Standard (AS) - 17 on "Segment Reporting", issued by Companies (Accounting Standards) Rules, 2006.

5. Related Party Disclosure:

- a) Disclosure of Related parties and relationship between parties:-

- i Key Management Personnel : Mr. B. K. Choudhary
- ii Holding Company : Vardhman Textiles Limited
- iii Fellow Subsidiary Companies : VMT Spinning Company Limited
VTL Investments Limited
Vardhman Yarns & Threads Limited
Vardhman Nisshinbo Garments Company Limited
Vardhman Special Steels Limited

- b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" issued by Companies (Accounting Standards) Rules, 2006 are as under:

(Rs. in Lacs)

Sr. No.	Particulars	Holding Company		Fellow Subsidiary Companies		Key Management Personnel (KMP)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.	Sale of goods (Net of discount)	19,560.94	8,821.71	-	486.83	-	-	19,560.94	9,308.54
2.	Purchase of DEPB Licenses	1,269.93	1,081.09	7.30	71.28	-	-	1,277.03	1,152.37
3.	Purchase of goods	4.69	788.50	-	97.16	-	-	4.69	885.66
4.	Interest paid on ICDs and current account balances	-	-	0.19	1.11	-	-	0.19	1.11
5.	Interest Received	417.57	256.86	65.13	-	-	-	482.70	256.86
6.	Contractual remuneration	-	-	-	-	19.25	15.85	19.25	15.85
7.	Loan taken (including opening balance)	1,111.50	-	-	-	-	-	1,111.50	-
8.	Loan repaid	1,111.50	-	-	-	-	-	1,111.50	-
9.	Closing balance of loans received	-	-	-	-	-	-	-	-
10.	Loan given (including opening balance)	44,899.20	33,392.53	3,202.00	-	-	-	48,101.20	33,392.53
11.	Loan repaid	44,308.50	27,849.53	-	-	-	-	44,308.50	27,849.53
12.	Closing balance of loans given	590.70	5,543.00	3,202.00	-	-	-	3,792.70	5,543.00

6. The Company's significant leasing arrangements are in respect of operating leases for premises (residential, godown etc.). These leasing arrangements which are not-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Schedule-15.

7. Earning Per Share

The calculation of Earning Per Share (EPS) as disclosed in the Statement of profit and loss has been made in accordance with Accounting Standard (AS)-20 on "Earning Per Share" issued by Companies (Accounting Standards) Rules, 2006.

A statement on calculation of diluted EPS is as under:

(Rs in Lacs)

Particulars	Current Year	Previous Year
Profit after tax and adjustments	3,764.14	4,344.10
Total (A)	3,764.14	4,344.10
Weighted average number of equity shares (No. in lac)	1,085.33	1,085.33
Total (B)	1,085.33	1,085.33
Earning per share : Basic / Diluted (A/B) Rs.	3.47	4.00

8. a) Deferred Tax Liability (Net) as on 31st March, 2011 is as follows:

(Rs in Lacs)

	Current Year	Previous Year
Timing Difference on account of Depreciation	2,310.14	2,608.83
Less: Deferred Tax Assets arising on account of timing difference		
- On account of Unabsorbed Depreciation as per Income Tax Act, 1961	—	—
- On account of expenses allowable for tax purposes when paid	38.78	39.62
Net Deferred Tax Liability	2,271.36	2,569.21

- b) Any change in the amount of deferred tax liability on account of change in the enacted tax rates and change in the quantum of depreciation allowable under the tax laws, is disclosed in the statement of profit and loss account as 'Deferred tax adjustment'.

9. In accordance with the Accounting Standard (AS)-28 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the Standard) 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.

10. Directors' Remuneration: -

(Rs in Lacs)

	Current Year	Previous Year
Salary	12.90	10.15
Contribution to Provident & Other Funds	1.22	1.10
Commission	5.10	4.60
Others including perquisites*	0.43	0.40
Directors Fees		
Total**	19.65	16.25

* Perquisites calculated as per Income Tax Rules, 1962.

** The above excludes contribution to the approved group pension and gratuity fund, which are actuarially determined on an overall basis.

11. Computation of net profit for section 198 read with Section 349 of the Companies Act, 1956, for the purpose of commission payable to the Managing Director.

(Rs in Lacs)

	Current Year	Previous Year
Profit before Taxation	5,638.88	5,707.03
Add: a) Depreciation as per Books of account	1,116.90	1,124.28
b) Managerial Remuneration	19.65	16.25
Less: a) Depreciation allowable	1,116.43	1,123.64
b) Profit / (Loss) on sale of Assets as per Section 349(3)(d) of the Companies Act, 1956.	-	(140.71)
Profit for computation of Commission	5,659.00	5,864.63
Maximum Permissible (i.e. 5 % of profits)	282.95	293.23
Commission Payable to Managing Director restricted to	5.10	4.60

12. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
13. Disclosure required by Clause 32 of Listing Agreement:
- a) The Company has given inter corporate deposits aggregating to Rs. 44,899.20 lacs (Previous Year Rs. 33,392.53 lacs) to M/s Vardhman Textiles Ltd. during the year. The maximum amount outstanding during the year was Rs. 7,835.00 lacs (Previous Year Rs. 6,917.00 lacs). The Balance outstanding as on 31.03.11 is Rs. 590.70 lacs (Previous Year Rs. 5,543.00 lacs).
- b) The Company has given inter corporate deposits aggregating to Rs. 3,202.00 lacs (Previous Year Rs. NIL.) to M/s Vardhman Special Steels Limited during the year. The maximum amount outstanding during the year was Rs. 3,202.00 lacs (Previous Year Rs. NIL). The Balance outstanding as on 31.03.11 is Rs. 3,202.00 lacs (Previous Year Rs. NIL).
14. Excise Duty amounting to Rs. 3,153.87 lacs (Previous Year Rs. 1,625.69 lacs) has been reduced from gross turnover as the same is included in the figure of gross turnover. Further, the difference of excise duty between the closing stock and opening stock has been disclosed separately in the statement of profit and loss.
15. In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet.
16. Previous year's figures have been recast / regrouped, wherever necessary, to make them comparable with current year's figures.
17. The company uses forward contracts to hedge its risk associated with fluctuation in foreign currency relating to foreign currency assets and liabilities, firm commitment and highly probable forecast transactions. The use of the aforesaid financial instruments is governed by the company's overall strategy. The company does not use forward contracts and options for speculative purposes. The details of the outstanding forward contracts as at 31st March, 2011 is as under:

Particulars	Current Year		Previous Year	
	No. of Contracts	Amount in Foreign Currency (Lacs)	No. of Contracts	Amount in Foreign Currency (Lacs)
a) Category wise quantitative data				
Forward contracts against imports (USD)	8	56.07	3	45.00
b) Details of foreign currency exposure that has not been hedged by a derivative instrument or otherwise is given below:				
		NIL		NIL

18. Information pursuant to Para 3 & 4 of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable) is as under:

(A) Installed Capacity	Unit	As at 31.03.2011		As at 31.03.2010	
		Qty.	Value	Qty.	Value
Acrylic Fibre & Tow	MT	20,000		20,000	
(B) Actual Production		Current Year		Previous Year	
Acrylic Fibre	MT	17,824.47		15,182.35	
Acrylic Tow	MT	2,219.32		3,323.52	
		20,043.79		18,505.87	

(C) Sales	Unit	Current Year		Previous Year	
		Qty.	Value	Qty.	Value
Acrylic Fibre (Manufactured)	MT	17,454.13	29,918.24	15,257.58	19,143.12
Acrylic Fibre (Traded)	MT	5,395.79	9,252.30	3,590.51	5,375.23
Acrylic Tow	MT	2,213.21	3,862.97	3,368.33	4,155.53
		25,063.13	43,033.51	22,216.42	28,673.88
(D) Raw materials consumed					
Acrylonitrile	MT	18,194.64	19,729.61	16,849.74	10,758.69
Methyl Acrylate	MT	12,808.19	1,243.39	1,594.67	996.78
Vinyl Acetate Monomer	MT	453.97	211.46	-	-
Others	MT		498.50		519.95
			21,682.96		12,275.42

Current Year	Unit	Previous Year		Qty.	Value
		Qty.	Value		
(E) Purchase of Finished Goods					
Acrylic Fibre	MT	5,395.79	9,061.83	3,590.51	5,261.70
		5,395.79	9,061.83	3,590.51	5,261.70
(F) Stock Particulars of Finished Goods					
I. Opening Stock:					
Acrylic Fibre	MT	166.27	217.53	241.51	168.65
Acrylic Tow	MT	10.84	13.54	55.64	38.86
		177.11	231.07	297.15	207.51
II. Closing Stock:					
Acrylic Fibre	MT	536.61	779.25	166.27	217.53
Acrylic Tow	MT	16.95	24.18	10.84	13.54
		553.56	803.43	177.11	231.07
(Rs. In Lac)					
		Current Year		Previous Year	
(G) CIF Value of Imports					
Raw Materials			11,043.38		5,329.32
Stores & Spares			87.66		33.08
Acrylic Fibre			7,647.58		3,666.93
			18,778.62		9,029.33
(H) Expenditure in Foreign Currency					
Travelling			0.55		0.76
Subscription			4.93		5.21
			5.48		5.97
(I) FOB Value of Export					
			Nil		Nil
(J) Value of raw materials, components and spare parts consumed					
I Raw Materials:					
Imported		10,693.41	49.32	5,350.45	43.59
Indigenous		10,989.55	50.68	6,924.97	56.41
		21,682.96	100.00	12,275.42	100.00
II Components and Spare Parts:					
Imported		20.36	8.13	34.63	15.02
Indigenous		230.06	91.87	195.89	84.98
		250.42	100.00	230.52	100.00



19. Information pursuant to Part-IV of Schedule-VI to the Companies Act, 1956 :

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date

Date Month Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue	Right Issue
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue	Private Placement
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousand)

Total Assets	Total Liabilities
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="7"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="7"/>

SOURCES OF FUNDS

Paid-up Capital	Reserves and Surplus*
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="5"/>
Secured Loans	Unsecured Loans
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="7"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

APPLICATION OF FUNDS

Net Fixed Assets	Investments
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="5"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="9"/>
Net Current Assets	Miscellaneous Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="3"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Accumulated Losses	
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

* Including deferred tax liability amounting to Rs. 2,27,136 thousand.

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousand)

Turnover (including other Income)	Total Expenditure
<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="3"/>	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="5"/>
+ - Profit/Loss before Tax	+ - Profit/Loss after Tax
<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="8"/> <input type="text" value="8"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="2"/>
Earnings per Share (in Rs.)	Dividend Rate %
+ <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="4"/> <input type="text" value="7"/>	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY:

(As per Monetary Terms)

Item Code No. (ITC Code)	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="0"/>
Product Description	<input type="text" value="A"/> <input type="text" value="C"/> <input type="text" value="R"/> <input type="text" value="Y"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="."/> <input type="text" value="F"/> <input type="text" value="I"/> <input type="text" value="B"/> <input type="text" value="R"/> <input type="text" value="E"/>
Item Code No. (ITC Code)	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="."/> <input type="text" value="3"/> <input type="text" value="0"/>
Product Description	<input type="text" value="A"/> <input type="text" value="C"/> <input type="text" value="R"/> <input type="text" value="Y"/> <input type="text" value="L"/> <input type="text" value="I"/> <input type="text" value="C"/> <input type="text" value="."/> <input type="text" value="T"/> <input type="text" value="O"/> <input type="text" value="W"/>

As per our report of even date attached

For S.S. Kothari Mehta & Co.,

Chartered Accountants

Firm Registration No.: 000756N

CA KAMAL KISHORE

Partner

Membership No.: 078017

SANJAY GUPTA

Company Secretary

GOPAL KAKHANI

Vice president

(Commercial)

B.K.CHOUDHARY

Managing Director

S.P.OSWAL

Chairman

Place : New Delhi

Dated : 9th May, 2011

VARDHMAN ACRYLICS LIMITED

Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana - 141 010

PROXY FORM



I/We.....
of.....
in the Districtbeing a Member/Members
of **Vardhman Acrylics Limited** hereby appoint.....
of.....in the
District of.....failing him/her
.....of.....
.....in the district of.....
as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held
at Registered Office of the Company situated at Vardhman Premises, Chandigarh Road, Ludhiana, at 3.00 PM, on
Saturday, the 23rd day of July, 2011 and at any adjournment thereof.
Signed this.....day of.....2011.

Affix
Revenue
Stamp here

Signature.....
Address.....
Folio No./Client-Id No.....

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll instead of himself/herself.
2. The Proxy Form duly signed across Revenue Stamp should reach the Company's Registered Office at least 48 hours before the time of meeting.

(TEAR HERE)

VARDHMAN ACRYLICS LIMITED

Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana - 141 010

ATTENDANCE SLIP



I hereby record my presence at the 21st Annual General Meeting of the above named Company being held at
Registered Office of the Company situated at Vardhman Premises, Chandigarh Road, Ludhiana, at 3.00 PM, on
Saturday, the 23rd day of July, 2011.

..... Full Name of the Member (in BLOCK LETTERS) Signature
Folio No./ Client-Id No.	No. of Shares held.....
..... Full Name of the Proxy (In BLOCK LETTERS) Signature

NOTE: Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

(TEAR HERE)

