

**26th Annual Report
2015-16**



Vardhmān

Vardhmān Acrylics Limited

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. Vivek Gupta

COMPANY SECRETARY

Ms. Ruchita Vij

AUDITORS

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

BANKERS

State Bank of Patiala
ICICI Bank Limited

REGISTRAR AND TRANSFER AGENT

M/s. MCS Share Transfer Agent Limited
Kolkata

REGISTERED & CORPORATE OFFICE

Vardhman Premises, Chandigarh Road,
Ludhiana-141 010
Phones: (0161) 2228943 - 48
Fax: (0161) 2220766, 2601048
E-mail: secretarial.lud@vardhman.com
Web site: www.vardhman.com
CIN: L51491PB1990PLC019212
PAN: AAACV7602E

BUSINESS OFFICE

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

WORKS

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

CONTENTS

Notice	2-7
Directors' Report	8-28
Corporate Governance Report	29-34
Independent Auditors' Report	35-37
Balance Sheet	38
Statement of Profit and Loss	39
Cash Flow Statement	40
Notes to Financial Statements	41-56



Vardhman

**NOTICE OF
26TH ANNUAL GENERAL MEETING**

(Pursuant to Section 101 & 102 of Companies Act, 2013)

NOTICE is hereby given that the 26th Annual General Meeting of the Members of the Company will be held on Monday, the 5th day of September 2016 at 11.00 a.m. at Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 to transact the following business:-

ORDINARY BUSINESS:

- To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March 2016 and Statement of Profit & Loss for the year ended on that date together with the Auditors' Report thereon.
- To appoint a Director in place of Mr. Sachit Jain (DIN 00746409), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
- To ratify the appointment of Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S.S. Kothari Mehta & Co., Chartered Accountants, (Registration No. 000756N) as Statutory Auditors of the Company, be and is hereby ratified for the Financial Year 2016-2017 at such remuneration as may be finalised by the Chairman of the Company."

SPECIAL BUSINESS:

ITEM NO. 4

TO RATIFY THE REMUNERATION OF THE COST AUDITOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the remuneration of Mr. R.A. Mehta, Cost Auditors of the Company for the Financial Year ending 31st March, 2017 at ₹ 45,000 (excluding Service Tax and out of pocket expenses), be and is hereby ratified.

RESOLVED FURTHER THAT Mr. S.P. Oswal, Chairman, Mr. B.K. Choudhary, Managing Director and Ms. Ruchita Vij, Company Secretary, be and are hereby severally authorized, to comply with all other formalities in this regard."

ITEM NO. 5

TO CONSIDER RE-APPOINTMENT OF MR. B.K. CHOUDHARY AS MANAGING DIRECTOR OF THE COMPANY FOR A FURTHER PERIOD OF THREE YEARS:

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

Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 196 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Mr. B.K. Choudhary (DIN 00307110), be and is hereby re-appointed as Managing Director of the Company for a period of three years w.e.f. 1st April 2016, at a remuneration as detailed below:-

S. NO.	REMUNERATION	DETAILS
I.	Basic Salary	Basic Salary will be in the scale of ₹ 215,000 - ₹ 15,000 - ₹ 245,000 per month.
II.	Commission	Commission equal to 1% of the Net Profit of the Company, subject to maximum of 100% of the Annual Basic Salary.
III.	Special Allowance	Special allowance @ ₹ 100,000 per month.
IV.	Perquisites	The perquisites shall be allowed in addition to basic salary, special allowance and commission. However, such perquisites shall be restricted to an amount equal to one year's basic salary during each year as per details given below :-
a)	Housing	Free Residential Accommodation or House Rent Allowance equal to 40% of basic 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 Reimbursement	Reimbursement of medical expenses incurred by the appointee (including medi-claim insurance premium) on self and his family, subject to a maximum ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
c)	Leave Travel Concession	The expenses incurred on leave travel by the appointee on self and his family shall be reimbursed once in a year in accordance with the rules specified by the Company subject to a maximum of ₹ 100,000 p.a.
d)	Club Fees	Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
e)	Personal Accident Insurance	Premium not to exceed ₹ 5,000 per annum.
f)	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.

* In case of re-appointment, the appointee will be eligible for carry forward of unutilised amount of medical expenses entitlement of current term to the next term subject to a maximum ceiling of three months basic salary. The same provision shall be applicable in case of any carry forward of medical expenses entitlement from previous term as well.

Explanation: "Family" means the spouse, the dependant children and dependant parents of the appointee.

RESOLVED FURTHER THAT Mr. S. P. Oswal, Chairman, be and is hereby authorised to execute an agreement on behalf of the Company with Mr. B.K. Choudhary subject to such changes and modifications as may be approved by the Members and agreed to by the Board of Directors and Mr. B.K. Choudhary.

RESOLVED FURTHER THAT Common Seal of the Company, if required, be affixed on the said Agreement, in the presence of Mr. S.P. Oswal, Chairman and Ms. Ruchita Vij, Company Secretary, who shall countersign the same in token thereof.

RESOLVED FURTHER THAT Ms. Ruchita Vij, Company Secretary, be and is hereby authorised to take all necessary steps as may be deemed necessary to comply with other legal formalities in this regard."

ITEM NO. 6

TO ENTER INTO RELATED PARTY TRANSACTIONS:

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

"RESOLVED THAT pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Members be and is hereby accorded for entering into contracts i.e. material transactions with related party as mentioned in the Statement annexed to the notice of 26th Annual General Meeting.

RESOLVED FURTHER THAT pursuant to be provisions of Section 189 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with rule no 16 of the Companies (Meeting of Board and its Powers) Rules 2014, Ms. Ruchita Vij, Company Secretary be and is hereby authorized to do the necessary entries in the Register of contracts or arrangements in which directors are interested and authenticate them.

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

BY ORDER OF THE BOARD

Sd/-

PLACE: Ludhiana
DATE: April 30, 2016

(Ruchita Vij)
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. THE BLANK PROXY FORM IS ENCLOSED.

However, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

2. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details to Special Business, is annexed hereto and forms part of the Notice.
3. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/MCS Share Transfer Agent Limited.
8. **The Register of Members and Share Transfer Books of the Company shall remain closed on 29th August 2016.**
9. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However, members holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
10. The information pursuant to Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements)



Regulations 2015 regarding the Directors seeking appointment/re-appointment in the Annual General Meeting is also being annexed hereto separately and forms part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

11. Members desiring any information as regards Accounts are requested to write to the Company at its Regd. Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
12. 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.
13. **The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their members electronically. In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance sheet, Statement of Profit & Loss and Director's Report etc and other communications in electronic form. The members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar and Transfer Agent, MCS Share Transfer Agent Limited, Kolkata (in case of shares held in physical form).**
14. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
15. The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of conclusion of AGM. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website www.vardhman.com and on the website of CDSL and will be communicated to the stock exchanges.
16. The Annual Report 2015-16 is being sent through electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s), unless any members who have not registered their email addresses, physical copies of the Annual Report 2015-16 are being sent by permitted mode.
17. **M/s. B.K. Gupta & Associates**, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The Scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 2nd September 2016 (9.00 am) and ends on 4th September 2016 (5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29th August 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after end of the voting period.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
--	--

- (ix) After entering these details appropriately, click on **"SUBMIT"** tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN **160725035 <VARDHMAN ACRYLICS LIMITED>** on which you choose to vote.
- (xiii) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
- (xvi) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.

- (xvii) You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on **Forgot Password &** enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**.

MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION.



Vardhman

Vardhman Acrylics Limited

INFORMATION PURSUANT TO THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, REGARDING DIRECTORS SEEKING RE-APPOINTMENT IN THE ANNUAL GENERAL MEETING.

Name of the Director	Sachit Jain	B. K Choudhary
Date of Birth	08.07.1966	27.06.1951
Date of Appointment	30.12.1995	12.05.2008
Expertise in specific functional area	Business Executive having experience of more than 27 years in textiles industry.	About 43 Years experience in Project Management & Business Operations.
Qualification	B.Tech, M.B.A.	B.Sc, M.Com, M.B.A. (Gold Medalist)
Directorships of Other Companies	<ul style="list-style-type: none"> ● Vardhman Textiles Ltd. ● Vardhman Special Steels Ltd. ● Vardhman Holdings Ltd. ● Vardhman Yarns and Threads Ltd. ● Syracuse Investments & Trading. Co. Pvt. Ltd. ● Devakar Investments. & Trading. Co. Pvt. Ltd. ● Srestha Holdings Pvt. Ltd. ● Anklesh Investments (P) Ltd. ● Pradeep Mercantile Co. Pvt. Ltd. ● Plaza Trading Company Pvt. Ltd. ● Marshall Investments. & Trading. Co. (P) Ltd. ● Vardhman Nisshinbo Garments Company Ltd. ● UTI Asset Management Company Ltd. ● The Alloy Steel Producers Association of India ● Mahavir Spinning Mills Pvt Ltd. 	<ul style="list-style-type: none"> ● Vardhman Special Steels Ltd. ● Narmada Clean Tech Ltd.
Chairman/Member of Committees of Other Companies	<ol style="list-style-type: none"> 1. Corporate Social Responsibility Committee <ul style="list-style-type: none"> ➤ Vardhman Textiles Ltd. ➤ Vardhman Special Steels Ltd. 2. Stakeholder's Relationship Committee <ul style="list-style-type: none"> ➤ Vardhman Textiles Ltd. ➤ Vardhman Holdings Ltd. 3. Nomination and Remuneration Committee <ul style="list-style-type: none"> ➤ Vardhman Nisshinbo Garments Company Ltd. ➤ Vardhman Special Steels Ltd. ➤ Vardhman Holdings Ltd. 4. Risk Management Committee <ul style="list-style-type: none"> ➤ Vardhman Textiles Ltd. 5. Asset Liability & Risk Management Committee <ul style="list-style-type: none"> ➤ Vardhman Holdings Ltd. 6. H.R. Committee <ul style="list-style-type: none"> ➤ UTI Asset Management Company Ltd. 	<ol style="list-style-type: none"> 1. Nomination and Remuneration Committee <ul style="list-style-type: none"> ➤ Vardhman Special Steels Ltd. 2. Stakeholder's Relationship Committee <ul style="list-style-type: none"> ➤ Vardhman Special Steels Ltd. 3. Risk Management Committee <ul style="list-style-type: none"> ➤ Vardhman Special Steels Ltd.
No. of Shares Held	10	Nil
Relationship with other Directors	Not related to any other Director.	Not related to any other Director.

NOTE:

1. The particulars of Directors are as on 31.03.2016
2. Mr. B.K Choudhary has been appointed as a Managing Director w.e.f. 12.05.2008. Earlier, he was 'President & Executive Director' of the Company.

ANNEXURE TO THE NOTICE:

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

(For Item No. 4 to 6)

ITEM NO. 4:

In terms of Section 148 of the Companies Act, 2013 and amended rules thereof, the Company is required to appoint a cost auditor to conduct the audit of the cost records of the Company for the Financial Year 2016-17. The Audit Committee of the Company has recommended the appointment of Mr. R.A. Mehta as a Cost Auditor of the Company, for the Financial Year 2016-17. Your Board of Directors has given their consent and appointed Mr. R.A. Mehta as a Cost Auditor of the Company for the Financial Year ending 31st March, 2017 in their Board Meeting held on 30th April 2016 at remuneration of ₹ 45,000 (excluding service tax and out of pocket expenses). Further, the said remuneration is required to be ratified by the shareholders of the Company.

Accordingly, your approval is solicited by way of **Ordinary Resolution**.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

MEMORANDUM OF INTEREST:

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution set out at Item No. 4 of the Notice.

ITEM NO. 5:

The members of the Company in their Annual General Meeting held on 31.08.2013 had approved appointment of Mr. B.K. Choudhary as Managing Director of the Company for three years term w.e.f 01.04.2013. The present term of his appointment is expiring on 31.03.2016. However, the Board of Directors in its meeting held on 18.01.2016 has re-appointed Mr. B.K. Choudhary as Managing Director for a period of three years w.e.f. 1st April 2016 to 31st March 2019, at remuneration as detailed in the resolution.

Accordingly, your approval is solicited on the transactions provided as per details below:

Sr. No.	Name of the Related Party	Relationship with the Company	Particulars of Contract or Arrangements	Material Terms/ Indicative Base Price	Whether on Arm's Length
1.	Vardhman Textiles Limited (VTXL)	Holding Company	• Sale of Acrylic Fiber (Traded/Manufactured)	At Market Related Prices	Yes
			• Purchase/sale of DEPB licenses • Purchase/sale of fixed assets • Rent Paid	At Market Related Prices	Yes
			• Payment towards sharing of corporate services • Reimbursement of expenses (paid/received)	At Cost	Yes

The Board recommends the **Ordinary Resolution** set out at Item No. 6 for approval by the shareholders.

MEMORANDUM OF INTEREST:

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

BY ORDER OF THE BOARD

PLACE: Ludhiana
DATE: April 30, 2016

Sd/-
(Ruchita Vij)
COMPANY SECRETARY



Vardhman

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have immense pleasure in presenting their 26th Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2016.

1. FINANCIAL RESULTS:

The Financial results for the year 2015-16 are as under:-

Particulars	(₹ in Lacs)	
	2015-16	2014-15
Sales (Gross)	44,668.05	54,080.28
Other Income	589.79	1,615.73
Profit before Depreciation, Interest & Tax (PBDIT)	4,960.31	4,968.53
Interest & Financial Charges	24.46	30.17
Profit before Depreciation & Tax (PBDT)	4,935.85	4,938.36
Depreciation	456.94	476.87
Profit before Tax	4,478.91	4,461.49
Provision for Tax		
- Current Tax	1,500.00	1,062.69
- Deferred Tax	(8.51)	56.49
- IT adjustment for earlier year	-	-
Profit After Tax (PAT)	2,987.42	3,342.31
Prior period adjustments (Net)	4.56	0.20
Balance brought forward	17,272.06	18,248.61
Less: Effect of change in depreciation as per Companies Act, 2013	-	296.61
Add: Transfer to Deferred Tax due to change in Depreciation rate with regard to Companies Act, 2013	-	102.65
Add: Corporate dividend tax written back	5.28	-
Appropriations:		
Interim Dividend/Dividend on Equity Shares	4,650.39	930.08
Corporate Dividend Tax on Interim Dividend/Dividend	946.71	194.62
Transfer to General Reserve	-	3,000.00
Balance carried to Balance Sheet	14,663.10	17,272.06
Earnings per share (in ₹)	3.21	3.59
Dividend per share (in ₹)	5.00	1.00
	(Interim & Final)	

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 (2) - e of

the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is presented as under.

a) ACRYLIC FIBRE INDUSTRY - GLOBAL AND INDIAN PERSPECTIVE:

In the year 2015, global Acrylic Fiber (AF) consumption seems to have remained unchanged or marginally increased over CY 2014. This is after suffering a drop continuously for 3 previous years. Seen in backdrop of negative global economic outlook, rout in commodity prices and demand drop, this small increase in consumption of AF is encouraging. Despite all their domestic economic issues, Chinese AF consumption is also believed to have recouped the loss it suffered in CY 2014 when it had dropped to the lowest level since CY 2008. Indian AF consumption in CY 2015 seems to have been flat to a marginal drop over CY 2014. This can be attributed to poor monsoons leading to a much lower demand from rural sector as also shorter and milder winter in 2015-16.

International AF prices especially in Far East Asia, the largest AF consuming region in world, were quite stable in the first quarter of 2015-16 despite increase in crude oil prices, dropped in second and third quarter and stabilised in last quarter of FY 2015-16. Volatile movements in crude oil prices kept buyers on cautious note globally as also in India.

There was no AF capacity reduction globally but changes were noticed in regional capacity utilisation over the previous year. Global AF capacity utilization is estimated unchanged at around 87% in the previous year. Chinese capacity utilization was estimated to be about 94% up from 88% in the previous year. Indian AF capacity utilisation is estimated to be about 90%. Exports out of India contributed significantly to high capacity utilisation in FY 2015-16.

Major raw material of Acrylic Fiber is Acrylonitrile (ACN). Feed stock for ACN is Propylene. Traditional sources of Propylene had been refineries and Naphtha crackers. Spike in crude oil prices starting from 2008 and ethylene driven economics of Naptha crackers had made Propylene quite expensive, prompting investment in on-purpose technologies for manufacturing Propylene by alternate routes. These technologies have made available more quantity of Propylene and at competitive costs. Further, two small plants of ACN closed operations one each in China and India in CY 2015 but a much larger new plant was commissioned in China, increasing overall capacity. As a result, ACN prices remained at rather low levels in 2015. Two new plants of ACN are expected to be commissioned in China in 2016 adding about 5.5% to current global capacity. ACN supply deficit in Asia is expected to further reduce going forward.

AF Buyers during the year under discussion had adopted a need based buying strategy expecting further fall in crude oil prices through out the year. This posed some challenge for AF producers globally on account

of inventory losses. Despite renewal of Anti-Dumping duty on AF from few countries, there was no let-up in imports in India at low prices.

b) FINANCIAL ANALYSIS & REVIEW OF OPERATIONS:

● PRODUCTION & SALES REVIEW:

Your Company has achieved a turnover of ₹ 44,668.05 Lacs against a turnover of ₹ 54,080.28 Lacs in the previous year. After providing for depreciation of ₹ 456.94 lacs (previous year ₹ 476.87 lacs) and provision for current tax of ₹ 1,500.00 lacs (previous year ₹ 1,062.69 lacs), deferred tax of ₹ (8.51) lacs (previous year ₹ 56.49 lacs), Profit after tax of the Company is ₹ 2,982.86 lacs as against a net profit of ₹ 3,342.11 lacs in the previous year. This is about 11% lower than 2014-15.

Main reasons for drop in turnover was reduction in sale price of AF due to drop in crude oil prices.

● RESOURCE UTILIZATION:

i) Fixed Assets:

The gross fixed assets (including work-in-progress) as at 31st March, 2016 were ₹ 24,934.79 lacs as compared to ₹ 24,714.78 lacs in the previous year.

ii) Current Assets:

The current assets as on 31st March, 2016 were ₹ 17,408.80 lacs as against ₹ 24,791.61 lacs in the previous year. Inventory level was at ₹ 5,248.62 lacs as against ₹ 7,003.78 lacs in the previous year.

● FINANCIAL CONDITIONS & LIQUIDITY:

Liquidity & Capital Resources:

PARTICULARS	(₹ in Lacs)	
	2015-16	2014-15
Cash & cash equivalents:		
Beginning of the year	279.37	582.31
End of the year	100.57	279.37
Net cash provided/(used) by:		
Operating Activities	2,274.98	5,535.07
Investing Activities	4,307.28	(5,755.16)
Financial Activities	(6,761.06)	(82.85)

c) BUSINESS OUTLOOK:

Indian economy is expected to grow by 7.8% in CY 2016 (7.3% in CY 2015) as forecasted by World Bank. Similar figures for World are 2.9% (2.4%), USA 2.1% (1.6%) and China 6.3% (6.4%). Estimates for fiscal 2016-17 by RBI and other financial institutions for India's GDP are 7.6-7.8%. Consumer Price Inflation is steadily coming down and is now below 5% prompting RBI to also reduce benchmark lending rates.

Expectation of good monsoon is also likely to lead to increased rural income and spending and improved business sentiment in India.

China is expected to adopt policies leading to growth of services and domestic consumption and reduce dependence on exports of goods. Monetary policy tightening cycle in the United States is likely to proceed without undue turbulence. Stabilizing crude oil prices despite any agreement between major producers is also positive for global economy.

Raw material availability especially of ACN is expected to be better with new capacities coming on-stream in 2016 and beyond. On-purpose propylene plants have started adding more competitively priced Propylene. These two factors together are expected to keep ACN prices softer for next few quarters providing ACN chain which includes AF also an opportunity to compete in inter-fiber substitution scenario.

With improved competitiveness of AF due to cost factors, higher demand due to expected good monsoon and forecast of higher GDP growth, we expect AF consumption in India in 2016-17 to be higher than the previous year. With imposition of Anti-dumping duty on few major AF producers by China, the market structure globally may undergo change. It is likely to impact Indian AF market, also though it is difficult to predict the manner in which this impact will be felt. Despite India having a growing AF market, investment in further capacity is still getting hindered by very high volume of imports that account for more than 30% of domestic consumption.

d) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Management of the Company has been focussed on building a process driven organisation with sound checks and controls and a high level of transparency. The adequacy of the checks and balances is continuously evaluated through self audits, well defined MIS and internal audits. The business processes and operational SOPs are updated on regular basis to incorporate the internal learnings and best practices of other organisations. Senior management remains actively engaged in reviewing and strengthening internal control systems. The internal audit observations are carefully studied and implementation of the remedial actions continuously monitored. Both the observations of internal audit and remedial action plan are presented and discussed in detail in the Audit Committee of the Board of Directors.

Internal Financial Control:

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

e) MANAGEMENT PERCEPTION OF RISK & CONCERNS:

Despite two consecutive years of deficient monsoon and increasing global economic issues, consumption of Acrylic Fiber in India has been by and large stable. Forecasts of good monsoon in 2016 augur well for AF consumption. Lower inflation rates are also positive for AF consumption in country. However, as major raw material of AF is wholly imported and is a crude oil derivative, any factor leading to steep hike in crude oil prices or higher level of volatility can be a reason for anxiety of Indian AF producers. Similarly, depreciation or high volatility in exchange rate of INR with respect to major global currencies can be another concern. Further, as already mentioned, continued imports of low priced AF continues to pose challenge to Indian AF producers.

Current levels of prices of competing fibers such as cotton and polyester do not seem attractive enough to promote large substitution of AF. These fibers, however, follow their own market dynamics. Oversupply or sudden drop in their prices can disturb the equations vis-a-vis AF.

Demand of AF is highly influenced by the severeness of winter. No reliable forecasts are yet available about winter of 2016-17 in India. There can be some risk associated with this factor as well.

f) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Company has always considered its human resource as the most valuable of all the resources available to it. The efforts to strengthen skills and competencies through training at all levels were continued. The efforts to reinforce bond between its people and the organisation, enhance team spirit and promote an environment for innovation continued. The management has been continuously endeavouring to build high performance culture on one hand and congenial work environment on the other hand.

The management and the workmen of the Company entered into a 5 years wage settlement beginning 01.04.2015 to 31.05.2020 in an amicable manner.

The Company employed **310** persons during the year.

3. DIVIDEND:

During the year under review, the Board of Directors in their meeting held on 9th March 2016 recommended an Interim Dividend of ₹ 5.00 per share on the fully Paid-up Equity Shares of the Company. Further, the Board of Directors in their meeting held on 30th April 2016, has unanimously decided that, the interim dividend shall be final dividend for FY 2015-16.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

In accordance with provisions of the Articles of Association of the Company, Mr. Sachit Jain, Director of your Company,

retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommended his appointment for consideration of the members at the forthcoming Annual General Meeting.

There was no change in KMP's listed below who were appointed/designated in the Board meeting held on 19th May 2014.

Sr. No.	Whole Time Key Managerial Personnel of the Company	Designation
1	B.K. Choudhary	Managing Director (M.D)
2	Vivek Gupta	Chief Financial Officer (CFO)
3	Ruchita Vij	Company Secretary (CS)

Familiarisation programmes for Board Members:

Persuant to provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Schedule IV of the Companies Act, 2013 the company has formulated 'Familiarisation Programmes' for all the directors and it may be accessed on the Company's website at [https://www.vardman.com/user_files/investor/VAL_familisation% 20program.pdf](https://www.vardman.com/user_files/investor/VAL_familisation%20program.pdf).

5. INDEPENDENT DIRECTORS:

Mr. M.C. Gupta, Mr. S.P. Singh, Mr. S.K. Bansal and Ms. Geeta Mathur, Independent Directors of the Company have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and read with the relevant rules.

6. 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 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are attached hereto in **Annexure 1** and forms part of this report.

7. AUDITORS:

a. Statutory Auditors:

At 24th Annual General Meeting held on 25th September 2014, M/s. S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi, were appointed as Statutory Auditors of the Company for a term starting from conclusion of 25th Annual General Meeting till the conclusion of 28th Annual General meeting subject to ratification by Members at every Annual General Meeting. Pursuant to provisions of Section 139 (1) of the Companies Act, 2013, the matter of appointment of M/s. S.S. Kothari Mehta & Company, Chartered Accountants, as a Statutory Auditors, is placed for ratification by the members.

b. Secretarial Auditor:

Mr. Ashok K Singla, practicing Company Secretary, Ludhiana, was appointed as Secretarial Auditor & his report in Form No. MR 3 under Section 204 of the Companies Act, 2013 for the Financial Year 2015-16 is attached as **Annexure 2** & forms part of this Report.

c. Cost Auditor:

As per provisions of Section 148 of the Companies Act, 2013 the Board of Directors of your Company has recommended Mr. R.A Mehta, Practicing Cost Auditor, Ankleshwar (being eligible for re-appointment) to be re-appointed as a Cost Auditor for the Financial Year 2016-17 subject to ratification of remuneration by the Shareholders in the forthcoming Annual General Meeting.

d. Internal Auditor:

Pursuant to provisions of Section 138 of the Companies Act, 2013, Mr. Nilesh Jain, internal auditor has conducted internal audit of the functions and activities of the Company and maintained internal control systems of the Company during FY 2015-16.

8. AUDITORS' REPORT:

The Statutory and Secretarial Auditors' Reports are self-explanatory and requires no comments.

9. AUDIT COMMITTEE AND VIGIL MECHANISM:**Composition of Audit Committee:**

The Audit committee of the Board of Directors comprises of three directors, i.e. Mr. S.P. Singh, Mr. M.C. Gupta, Independent Directors and Mr. D.L. Sharma. Mr. S.P. Singh is the Chairman of the committee and Ms. Ruchita Vij is Secretary of the Committee. The Committee met Four (4) times during the year.

Vigil Mechanism and Whistle Blower:

Pursuant to provisions of Section 177 (9) of the Companies Act, 2013 the Company has established a "Vigil Mechanism" incorporating Whistle Blower policy in terms of the listing agreement for employees and directors of the Company, for expressing the genuine concerns of unethical behaviour, frauds or violation of the codes of conduct by way of direct access to the Chairman/Chairman of the Audit Committee. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at https://www.vardhman.com/user_files/investor/342a7263db1c05444c897e9056f0e1d9707cda151436265916.pdf.

10. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance and a separate report on Corporate Governance is being annexed hereto and shall form part of the Annual Report. A certificate from the Statutory Auditors of the

Company regarding compliance of governance norms as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is also annexed to the Corporate Governance report.

11. BOARD MEETINGS:

During the Financial Year 2015-16, the Board met Five (5) times i.e. on 04.05.2015, 28.07.2015, 24.10.2015, 18.01.2016 and 09.03.2016. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

12. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts have been prepared on a going concern basis.
- v. Laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- vi. Devised proper systems to ensure compliance with the provisions of all applicable laws and those systems were adequate and operating effectively.

13. PERSONNEL & RELATED DISCLOSURES:

Your Company continues to lay emphasis on continued qualitative growth of its human resources by providing a congenial and conducive work environment in consonance with its belief that the real strength of its organization lies in its employees.

The particulars required under Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 3**.

A statement containing the name of employee employed throughout the Financial Year and in receipt of remuneration of ₹ 60 lakh or more, or employed for part of the year and in receipt of ₹ 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as **Annexure 4**.

**14. COMPANY POLICIES & STATUS OF DEVELOPMENT:****a. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:****Vision & core areas of CSR:**

Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the recently overhauled Companies Act. The Company's vision is to pursue a corporate strategy that enables realisation of the twin goals of shareholder value enhancement in a mutually reinforcing and synergistic manner.

The identified core areas by the Company under CSR are as listed below.

- Promotion of Education
- Environment Protection and energy conservation
- Human capital development
- Rural development
- Other Initiatives:
 - ✓ To contribute to empowering women economically, supplementing primary and secondary education and participating in rural capacity building programmes and such other schemes.
 - ✓ To respond to emergency situations & disasters by providing timely help to affected victims and their families.
 - ✓ Any other project/programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014.

The CSR Policy approved by the Board may be accessed on the website of the Company at https://www.vardhman.com/user_files/investor/61a990114df67d8501b530691cbe89070be539571436265843.pdf.

The Company has spent ₹ 14.84 lacs on CSR activities during FY 2015-16. We hope, in the coming year, many good proposals, specifically related to health, education and rural development, may be identified and considered by the Committee where the required amount may be spent fruitfully.

The disclosure under Section 134(3) of the Companies Act 2013, read with Rule 9 of Companies (Accounts) Rules 2014 i.e. Annual Report on CSR activities for Financial Year 2015-16 is attached herewith in **Annexure 5**.

b. NOMINATION AND REMUNERATION:

The Nomination & Remuneration committee consists of Mr. M.C. Gupta, Mr. S.P. Oswal, Mr. B.K. Choudhary and Ms. Geeta Mathur. Mr. M.C. Gupta is the Chairman of said Committee. The Committee met once, during the year under review. The Company's approved Policy relating to appointment of Directors, payment of

Managerial remuneration, Directors' qualifications, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) & (4) of the Companies Act, 2013 is attached herewith in **Annexure 6**.

c. RISK MANAGEMENT:

Pursuant to Clause 49 (VI) of Listing Agreement, the Board in their meeting held on 2nd February 2015 had constituted Risk Management Committee comprising of Mr. S.P. Singh, Ms. Geeta Mathur, Mr. B.K. Choudhary & Mr. Vivek Gupta. The Committee has formulated the Risk Management Policy which was subsequently approved by the Board of Directors. The committee met once, during the year under review.

The Risk Management Policy may be accessed on the website of the Company at https://www.vardhman.com/user_files/investor/8c586426f23ba3ac0445c849743b72c67c19d6fd1436265890.pdf.

The SEBI replaced the said Listing Agreement with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which came into force wef 1st December 2015. Under the SEBI Listing Regulations, 2015, the obligation of the company to form Risk Management Committee is governed by Regulation 21 which is now applicable to TOP 100 listed companies. Since the Company is not covered in TOP 100 companies, the provisions of having Risk Management committee is now, not applicable to the Company. The Board in their meeting held on 30th April 2016 discussed the matter and noted the new provision.

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

The particulars of Loans, guarantees or investments made under Section 186 are forming part of the notes to financial statements provided in this Annual Report (please refer Note 6b to 6d and 7a to the financial statement).

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

All the contracts/arrangements/transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of Contracts or Arrangements made with related parties as specified in form AOC 2 are covered under Note No. 16D to the financial statement, which is set out for related party transactions.

The Related Party Transaction Policy may be accessed on the website of the Company at https://www.vardhman.com/user_files/investor/1c9ec9e9c9ce1b5b82aef9485050628bbd40d5551436265865.pdf.

17. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return pursuant to the provisions of Section 134 (3) (a) of the Companies Act 2013, is furnished in **Annexure 7** (Form MGT 9) and is attached to this Report.

18. ANNUAL PERFORMANCE EVALUATION:

The meeting of Independent Directors of the Company to evaluate the performance of Non-Independent Directors, Chairman & the Board as a whole for Calendar Year 2015 was held on 31st March, 2015.

19. GENERAL DISCLOSURE:

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

1. Details of subsidiary, joint venture or associate company.
2. Issue of equity shares with differential rights to dividend, voting or otherwise.
3. Details relating to deposits covered under Chapter V of the Act.
4. No material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year to which this financial statements relate and the date of this report.
5. No significant/material orders have been passed by any Regulator/Court/Tribunal which could impact the going concern status & future operations of the Company.

6. No change in nature of Business of the Company.

7. No unclaimed Dividend to Investor Education and Protection fund.

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

20. 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 cooperation and efforts from them in future also.

For And on Behalf of the Board

Place: Ludhiana
Date: April 30, 2016

Sd/-
(S.P. Oswal)
Chairman

INDEX OF ANNEXURES (FORMING PART OF BOARD REPORT)

Annexure No.	Particulars
1	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
2	Secretarial Audit Report FY 2015-16.
3	Particulars under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4	Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5	CSR Activities - Annual Report FY 2015-16.
6	Nomination & Remuneration Policy approved by the Board.
7	Extract of Annual Return - MGT 9.



Annexure 1

INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2016.

A. CONSERVATION OF ENERGY:**i. Steps taken for conservation of energy:**

A dedicated 'Central Utilities Conservation Cell (CUCC)' in the unit has been focusing on energy management since plant inception. This cell closely monitors energy consumption as well as identification & implementation of energy conservation projects. Besides energy saving avenues identification through CUCC, we also undertake periodical energy audits by Bureau of Energy Efficiency (BEE) certified professional groups. One such audit was carried out in Aug 15 through CII. Few proposals of CII were implemented in this year and balance proposals are under implementation in FY 16-17.

The Company has undertaken various projects for conservation of energy in FY 2015-16. These projects are:

1. Installation of Energy Efficient rotor & steam chest in TG Set.
2. Refurbishment of all Cooling Towers by OEM resulting into energy efficiency as well as resultant benefits in operations.
3. Installation of Variable Frequency Drive (VFD) to conserve energy.
4. Online cleaning of Heat Exchangers leading to improvement in heat transfer.
5. Saving in steam consumption through auto stopping of circulation fans in specified conditions etc.
6.
 - a) Replacement of 80 W HPMV lamps with 36 W LED lamps.
 - b) Replacement of conventional 36 W tube lights with 16 W LED tube lights.

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

Following are the steps taken by the Company for utilizing alternate sources of energy during the Financial Year 2015-16:-

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

iii. The capital investment on energy conservation equipment:

The Company has incurred ₹ 98.25 lacs on different energy & utility saving projects.

B. TECHNOLOGY ABSORPTION**i. Efforts made towards technology absorption, adoption and innovation:**

- Development of newer grades of finish oil.
- Improvement in productivity by change in process parameters and operational practices.
- Substitution of imported consumables and spares/ components by indigenous sources.

Benefits derived as a result of the above efforts:

- Enhancement in fiber quality
- Better productivity
- Cost Saving
- Safety enhancement

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

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

iii. The expenditure incurred on Research and Development (R&D): The R&D efforts in the Company are being made with the help of technical institutions such as IIT Delhi on productivity, quality improvement & higher efficiencies.

- a) Specific areas in which R&D is carried out by the Company:
 - Recycling and reuse of waste water.
 - Efforts to deepen understanding of factors affecting dyeability of fiber both through in-house efforts and external research institutions.
 - Tow quality improvement through optimizing process parameters and conditions.
- b) Benefits derived as a result of the above R&D:
 - Sustainability and enhancement through water saving.
 - Wider fiber applications base.
 - Fiber quality improvement.
- c) Future plan of action:
 - Efforts to improve productivity.
 - Tow quality improvement.
 - Indigenization of imported consumables and spares
 - Improving efficiencies

d) Expenditure on R&D:

(₹ In Lacs)

Particulars	2015-16	2014-15
Non -Recurring	-	-
Percentage of turnover	-	-

C. FOREIGN EXCHANGE EARNING AND OUTGO:-

(₹ In Lacs)

Particulars	2015-16	2014-15
Foreign Exchange earned (FOB)	NIL	NIL
Foreign Exchange used (on accrual basis)	24,802.16	32,448.18

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED on 31st March, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013 & Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members,
Vardhman Acrylics Limited,

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

Based on my/our verification of the Vardhman Acrylics Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the Financial Year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by Vardhman Acrylics Limited ("the Company") for the Financial Year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange upto the date of its applicability and the SEBI (Listing obligations and Disclosure Requirements) Regulations 2015;

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



Vardhman

Vardhman Acrylics Limited

I/we further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

Sd/-

Ashok Singla

Proprietor,

Membership No. 2004.

Certificate of Practice No. 1942.

Date : 30th April, 2016.

Place : Ludhiana.

Annexure A

To
The Members
Vardhman Acrylics Limited

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

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

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

Sd/-

Ashok Singla

Proprietor,

Membership No. 2004.

Certificate of Practice No. 1942.

Date : 30th April, 2016.

Place : Ludhiana.

Annexure 3

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2015-16 (₹ In lacs)	% increase in Remuneration in the Financial Year 2015-16	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	B.K. Choudhary Managing Director	64.09	10.82%	38.84	PBDIT decreased by 0.16% and PAT decreased by 10.59%
2.	M.C. Gupta	2.85	18.75%	1.73	N.A
3.	S.P. Singh	2.25	32.35%	1.36	N.A
4.	S.K. Bansal	0.75	-28.57%	0.45	N.A
5.	Geeta Mathur	*1.85	85.00%	1.12	N.A
6.	Vivek Gupta Chief Financial Officer	**27.85	56.02%	N.A	PBDIT decreased by 0.16% and PAT decreased by 10.59%
7.	Ruchita Vij Company Secretary	4.58	6.51%	N.A	

* Ms. Geeta Mathur was appointed for the part of FY 2014-15. In FY 2015-16 full year remuneration is taken.

** Mr. Vivek Gupta, CFO was appointed for the part of FY 2014-15. In FY 2015-16 full year remuneration is taken.

- The median remuneration of employees of the Company during the Financial Year was ₹ 1.65 lacs (previous year ₹ 2 lacs)
- In the Financial Year, there was a decrease of 17.48% in the median remuneration of employees.
- There were 310 permanent employees on the rolls of Company as on March 31, 2016.
- Relationship between average increase in remuneration and company performance:
The Profit before Tax for the Financial Year ended March 31, 2016 increased by 0.40% whereas the decrease in median remuneration was 17.48%.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel increased by 20.68% from ₹ 79.98 lacs in FY 2014-15 to ₹ 96.51 lacs in 2015-16, whereas the Profit before Tax increased by 0.40% to ₹ 44.79 lacs in FY 2015-16 (₹ 44.61 lacs in FY 2014-15).
- Variations in the market capitalization of the Company: The market capitalization as on March 31, 2016 was ₹ 30,413.56 lacs (₹ 22,089.36 lacs as on March 31, 2015).
 - Price Earnings Ratio of the Company was 10.19 as at March 31, 2016 and was 6.62 as at March 31, 2015.
 - Percent increase over/decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company had come out with first public offer (IPO) in 2003. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 3,270 as on March 31, 2016 indicating a Compounded Annual Growth Rate of 9.54%.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2015-16 was 10.63%.
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not Applicable; and
- It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

DISCLOSURE IN RESPECT OF REMUNERATION OR COMMISSION BY MR. B.K CHOUDHARY, MANAGING DIRECTOR OF THE COMPANY IN VARDHMAN TEXTILES LIMITED (HOLDING COMPANY).

Sr. No.	Name of Director	Name of Holding Company	Amount (₹ in Lacs)
1	B.K Choudhary	Vardhman Textiles Limited	47.28

Annexure 4

INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employee Name	Designation	Educational qualification	Age (in years)	Experience (in years)	Date of joining	Gross remuneration paid (₹) in lacs	Previous employment and designation
B.K. Choudhary	Managing Director	B.Sc, M.Com, MBA (Gold Medalist)	65	43	30-Dec-95	64.09	Vardhman Textiles Limited Director operations- Vardhman Fabrics



**ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2015-16
(Pursuant to Section 135 & Rule 8 (1) of Companies (Corporate Social Responsibility Policy Rules) 2014)**

Name of the Company		Vardhman Acrylics Limited
Corporate Identity Number (CIN)		L51491PB1990PLC019212
For Financial Year		2015 - 16
Sr.No.	Particulars	Details
1	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects/programmes.	Broad contours of CSR Policy of the Company: 1. Promotion of Education 2. Rural Development 3. Human Capital Development 4. Environment protection & energy Conservation 5. Contribute to empowering women 6. Economically, supplementing primary and secondary education and participating in rural capacity building programmes. 7. To respond to emergency situations & disasters by providing timely help to affected victims and their families. 8. Any other project/programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014. CSR Policy is placed on website of the Company & web link: https://www.vardhman.com/user_files/investor/61a990114df67d8501b530691cb89070be539571436265843.pdf.
2	The composition of CSR Committee	Date of Constitution: 19.05.2014 Chairman: Mr. Sachit Jain Members: Mr. B.K. Choudhary & Mr. M.C. Gupta
3	Average net profits of the Company for last three financial years	₹46.28 crores
4	Prescribed CSR Expenditure (2% of the amount as in item no.3 above)	₹ 0.93 crore
5	Details of CSR spent during the Financial year a. Total amount to be spent for the Financial Year b. Amount unspent, if any c. Manner in which the amount spent during the Financial Year	₹ 0.93 crore ₹ 0.78 crore Details given below
6	In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	A lot of preliminary and exploratory work has been done by the Committee to identify areas where its contribution may be of the maximum benefit to the society. The CSR Committee has been examining and evaluating proposals around local areas where our plant & offices are located as well as other areas. It may take some time for these proposals to fructify.

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2015-16

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (In ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (In ₹)	Cumulative expenditure up to the reporting period. (In ₹)	Amount spent: Direct or through implementing agency *
1.	Renovation works of Anganwadi	Education	Talodara Village	70,000	64,047	64,047	Direct
2.	New constructions for Anganwadi	Education	Talodara Village	1,050,000	1,056,949	1,120,996	Direct
3.	Renovation works of Anganwadi	Education	Dadheda village	200,000	157,907	1,278,903	Direct
4.	Renovation works at primary school	Education	Dadheda village	80,000	80,555	1,359,458	Direct
5.	Donation to Auroville Foundation	Education	Tamilnadu	100,000	100,000	1,459,458	Direct
6.	Culture Promotion Activity in Navratri Mohatsava	Protection of culture & national heritage.	Talodara Village	25,000	25,000	1,484,458	Direct

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below: "The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

Date: April 30, 2016
Place: Ludhiana

Sd/-
B.K. CHOUDHARY
MANAGING DIRECTOR

Sd/-
SACHIT JAIN
CHAIRMAN OF CSR COMMITTEE

**NOMINATION AND REMUNERATION POLICY
OF**

VARDHMAN ACRYLICS LIMITED

(U/s 178 of the Companies Act, 2013 and Clause 49 (IV) of the
Amended Listing Agreement)

1. PREFACE:

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

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

The amended policy is as under:-

2. ROLE OF THE COMMITTEE:

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board, remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
 - a) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - b) That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - c) That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the company and its goals.
- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise a policy on Board diversity.

3. MEMBERSHIP:

- a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.

c) Membership of the Committee shall be disclosed in the Annual Report.

d) Term of the Committee shall be continued unless terminated by the Board of Directors.

4. CHAIRMAN:

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

5. FREQUENCY OF MEETINGS:

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

6. COMMITTEE MEMBERS' INTERESTS:

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

7. SECRETARY:

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

8. VOTING:

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

9. MINUTES OF COMMITTEE MEETING:

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

10. EFFECTIVE DATE & AMENDMENTS:

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



Vardhman

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L51491PB1990PLC019212
ii)	Registration Date	24th December 1990
iii)	Name of the Company	VARDHMAN ACRYLICS LIMITED
iv)	Category/Sub-Category of the Company	Company limited by shares
v)	Address of the Registered office and contact details	Vardhman Premises, Chandigarh Road, Ludhiana - 141010
vi)	Whether listed company	Yes (NSE)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any.	M/s. Mcs Share Transfer Agent Limited CIN: U67120WD2011PLC65872 Address: 12/1/5, Manoharpukur Road Ground Floor, Kolkata 700026 Phone Nos.: 033-40724051/55 Fax No.: 033-40724050 Email id: uday_mcs@yahoo.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Details of all the business activities contributing 10% or more of the total turnover of the Company, as given below:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacture of man-made fibres.	2030	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate Company	% of shares held	Applicable Section
1	Vardhman Textiles Limited, Vardhman Premises, Chandigarh Road, Ludhiana-141010	L17111PB1973 PLC003345	Holding Company	70.75%	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	30	0	30	0.00	30	0	30	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s).	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	69,577,577	0	69,577,577	74.81	69,577,577	0	69,577,577	74.81	0.00
e) Banks/Fis	0	0	0	0.00	0	0	0	0.00	0.00
f) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	69,577,607	0	69,577,607	74.81	69,577,607	0	69,577,607	74.81	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fis	0	0	0	0.00	0	0	0	0.00	0.00
e) Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	69,577,607	0	69,577,607	74.81	69,577,607	0	69,577,607	74.81	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20,012	0	20,012	0.02	0	0	0	0.00	0.02
b) Banks/Fis	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt (s).	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Portfolio Investors	0	0	0	0.00	1,021,247	0	1,021,247	1.10	1.10
j) Foreign Institutional Investors	763,990	0	763,990	0.82	0	0	0	0.00	-0.82
k) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):-	784,002	0	784,002	0.84	1,021,247	0	1,021,247	1.10	0.26
2. Non Institutions									
a) Bodies Corporate									
i) Indian	5,056,532	0	5,056,532	5.44	4,046,234	0	4,046,234	4.35	-1.09
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 lakh.	11,860,433	21,900	11,882,333	12.77	11,451,695	11,910	11,463,605	12.33	-0.44
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	5,514,088	0	5,514,088	5.93	6,709,476	0	6,709,476	7.21	1.28
c) Any Other (specify)									
i) Non-Resident Indians	118,264	0	118,264	0.13	134,657	0	134,657	0.14	0.01
ii) Trusts & Foundations	75,000	10	75,010	0.08	55,000	10	55,010	0.06	-0.02
Sub-Total (B)(2)	22,624,317	21,910	22,646,227	24.35	22,397,062	11,920	22,408,982	24.09	-0.26
Total Public Shareholding (B)=(B)(1)+(B)(2)	23,408,319	21,910	23,430,229	25.19	23,418,309	11,920	23,430,229	25.19	0.00
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	92,985,926	21,910	93,007,836	100.00	92,995,916	11,920	93,007,836	100.00	0.00



ii) Shareholding of Promoters

Name of Shareholders	Shareholding at the beginning of the Year (01.04.2015)				Shareholding at the end of the Year (31.03.2016)		% Change in Shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	
VARDHMAN TEXTILES LIMITED	65,800,834	70.75	0	65,800,834	70.75	0	0
VARDHMAN HOLDINGS LIMITED	815,561	0.88	0	815,561	0.88	0	0
SYRACUSE INVESTMENT AND TRADING CO (PVT) LTD	790,886	0.85	0	790,886	0.85	0	0
MARSHALL INVESTMENT AND TRADING COMPANY PRIVATE LIMITED	839,530	0.90	0	839,530	0.90	0	0
ANKLESH INVESTMENTS PRIVATE LIMITED	587,639	0.63	0	587,639	0.63	0	0
SANTON FINANCE & INVESTMENT COMPANY LIMITED	100	0.00	0	100	0.00	0	0
SRESTHA HOLDINGS LIMITED	100	0.00	0	100	0.00	0	0
DEVAKAR INVESTMENT & TRADING CO. (P) LTD.	100	0.00	0	100	0.00	0	0
PLAZA TRADING CO PRIVATE LIMITED	100	0.00	0	100	0.00	0	0
MAHAVIR SPINNING MILLS PRIVATE LIMITED	100	0.00	0	100	0.00	0	0
PRADEEP MERCANTILE COMPANY PRIVATE LIMITED	664,247	0.71	0	664,247	0.71	0	0
FLAMINGO FINANCE & INVESTMENT COMPANY LIMITED	100	0.00	0	100	0.00	0	0
RAMANIYA FINANCE & INVESTMENT COMPANY LIMITED	100	0.00	0	100	0.00	0	0
ADISHWAR ENTERPRISES LLP	10	0.00	0	10	0.00	0	0
SHRI PAUL OSWAL	10	0.00	0	10	0.00	0	0
SHAKUN OSWAL	10	0.00	0	10	0.00	0	0
SACHIT JAIN	10	0.00	0	10	0.00	0	0
VTL INVESTMENTS LIMITED	78,170	0.08	0	78,170	0.08	0	0
TOTAL	69,577,607	74.81	0	69,577,607	74.81	0	0

(iii) Change of Promoters' Shareholding (Please specify, if there is no change)- there was no change in Promoter's Shareholding during FY 2015-16.

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

Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of share at the beginning/ end of year	% of total shares of the Company				No. of share at the beginning/ end of year	% of total shares of the Company
1	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED	763,990	0.82	1-Apr-15				
				24-Jul-15	-77,200	Sale	686,790	0.74
				18-Sep-15	19,872	Purchase	706,662	0.76
				25-Sep-15	5,724	Purchase	712,386	0.77
				30-Oct-15	18,391	Purchase	730,777	0.79
				6-Nov-15	15,000	Purchase	745,777	0.80
				4-Dec-15	-2,800	Sale	742,977	0.80
				4-Dec-15	-1,000	Sale	741,977	0.80
				18-Dec-15	13,841	Sale	728,136	0.78
				8-Jan-16	-35,329	Sale	692,807	0.74
				15-Jan-16	-65,560	Sale	627,247	0.67
				11-Mar-16	-155,000	Sale	472,247	0.51
		472,247	0.51	31-Mar-16			472,247	0.51
2	NAHAR CAPITAL AND FINANCIAL SERVICES LTD	661,427	0.71	1-Apr-15				
				21-Aug-15	179,473	Purchase	840,900	0.90
				4-Sep-15	22,100	Purchase	863,000	0.93
				11-Dec-15	16,700	Purchase	879,700	0.95
				8-Jan-16	15,435	Purchase	895,135	0.96
				15-Jan-16	8,000	Purchase	903,135	0.97
				5-Feb-16	14,720	Purchase	917,855	0.99
		917,855	0.99	31-Mar-16			917,855	0.99
3	ANIL BANSILAL LODHA	611,397	0.66	1-Apr-15				
				10-Apr-15	-6,265	Sale	605,132	0.65
				1-May-15	1,000	Purchase	606,132	0.65
				8-May-15	-8,000	Sale	598,132	0.64
				15-May-15	-12,975	Sale	585,157	0.63
				22-May-15	-700	Sale	584,457	0.63
				5-Jun-15	-43,850	Sale	540,607	0.58
				12-Jun-15	-10,000	Sale	530,607	0.57
				13-Nov-15	-4,000	Sale	490,607	0.53
				27-Nov-15	-8,000	Sale	482,607	0.52
				11-Dec-15	-17,000	Sale	465,607	0.50
				18-Dec-15	-10,900	Sale	454,707	0.49
				25-Dec-15	-21,000	Sale	433,707	0.47
				15-Jan-16	-20,000	Sale	403,707	0.43
				4-Mar-16	-2,000	Sale	401,707	0.43
		401,707	0.43	31-Mar-16				
4	RATHI TECHSERVICES PRIVATE LIMITED	500,000	0.54	1-Apr-15				
						NIL Movement during year		
		500,000	0.54	31-Mar-16	0		500,000	0.54
5	ZEN SECURITIES LTD*	359,321	0.39	1-Apr-15				
				17-Jul-15	-37,013	Sale	322,308	0.35
				24-Jul-15	-222,308	Sale	100,000	0.11
				7-Aug-15	-89,248	Sale	10,752	0.01
				16-Oct-15	-10,752	Sale	0	0.00
		0	0.00	31-Mar-16				
6	MAZBEEN I CONTRACTOR	320,006	0.34	1-Apr-15				
				4-Mar-16	-20,000	Sale	300,006	0.32
				18-Mar-16	-20,000	Sale	280,006	0.30
		280,006	0.30	31-Mar-16				



Vardhman

Vardhman Acrylics Limited

Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of share at the beginning/ end of year	% of total shares of the Company				No. of share at the beginning/ end of year	% of total shares of the Company
7	KARVY STOCK BROKING LTD-F-O MARGIN*	266,640	0.30	1-Apr-15				
				3-Apr-15	17,862	Purchase	284,502	0.31
				18-Sep-15	-283,502	Sale	1,000	0.00
				12-Feb-16	-1,000	Sale	0	0.00
				4-Mar-16	1,500	Purchase	1,500	0.00
		1,500	0.00	31-Mar-16				
8	OSWAL WOOLEN MILLS LTD.	255,500	0.27	1-Apr-15				
		255,500	0.27	31-Mar-16	0	NIL Movement during year	255,500	0.27
9	SATYA PAL GARG*	213,373	0.23	1-Apr-15				
		213,373	0.23	31-Mar-16	0	NIL Movement during year	213,373	0.23
10	LSE SECURITIES LTD*	193,820	0.27	1-Apr-15				
				10-Apr-15	-631	Sale	193,189	0.21
				17-Apr-15	370	Purchase	193,559	0.21
				24-Apr-15	-50	Sale	193,509	0.21
				1-May-15	10,100	Purchase	203,609	0.22
				8-May-15	-10,300	Sale	193,309	0.21
				15-May-15	-350	Sale	192,959	0.21
				22-May-15	-1,200	Sale	191,759	0.21
				5-Jun-15	10,500	Purchase	202,259	0.22
				19-Jun-15	-5,700	Sale	196,559	0.21
				26-Jun-15	-11,825	Sale	184,734	0.20
				3-Jul-15	-500	Sale	184,134	0.20
				10-Jul-15	-265	Sale	183,869	0.20
				17-Jul-15	-1,910	Sale	181,959	0.20
				24-Jul-15	5,448	Purchase	187,407	0.20
				31-Jul-15	1,208	Purchase	188,615	0.20
				7-Aug-15	-1,141	Sale	187,474	0.20
				4-Sep-15	6,745	Purchase	198,602	0.21
				11-Sep-15	-7,891	Sale	190,711	0.21
				18-Sep-15	-750	Sale	189,961	0.20
				25-Sep-15	-2,000	Sale	187,961	0.20
				30-Sep-15	95	Purchase	188,056	0.20
				16-Oct-15	2,700	Purchase	189,570	0.20
				23-Oct-15	-2,250	Sale	187,320	0.20
				6-Nov-15	-499	Sale	186,821	0.20
				20-Nov-15	300	Purchase	187,121	0.20
				27-Nov-15	-15,275	Sale	171,846	0.18
				4-Dec-15	2,850	Purchase	174,696	0.19
				11-Dec-15	-100	Sale	174,596	0.19
				18-Dec-15	-18,909	Sale	155,687	0.17
				25-Dec-15	-11,345	Sale	144,342	0.16
				1-Jan-16	-1,250	Sale	154,792	0.17
				8-Jan-16	-3,855	Sale	150,937	0.16
				15-Jan-16	8,807	Purchase	159,744	0.17
				22-Jan-16	25,603	Purchase	185,347	0.20
				29-Jan-16	900	Purchase	186,247	0.20
				5-Feb-16	-17,310	Sale	168,937	0.18
				12-Feb-16	-729	Sale	168,208	0.18
				19-Feb-16	-1,150	Sale	167,058	0.18
				26-Feb-16	-1,139	Sale	165,919	0.18
				4-Mar-16	-472	Sale	165,447	0.18
				11-Mar-16	-18,655	Sale	146,792	0.16
				18-Mar-16	28,950	Purchase	172,779	0.19
				25-Mar-16	863	Purchase	173,642	0.19
		173,642	0.19	31-Mar-16				

Vardhman Acrylics Limited



Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of share at the beginning/ end of year	% of total shares of the Company				No. of share at the beginning/ end of year	% of total shares of the Company
11	OLESEN VALUE FUND LP**	0	0.00	1-Apr-15				
				11-Dec-15	78,000	Purchase	78,000	0.08
				5-Feb-16	222,000	Purchase	300,000	0.32
				12-Feb-16	90,000	Purchase	390,000	0.42
				19-Feb-16	45,000	Purchase	435,000	0.46
				4-Mar-16	30,000	Purchase	465,000	0.50
				11-Mar-16	84,000	Purchase	549,000	0.59
		549,000	0.59	31-Mar-16				
12	RAJEEV MANILAL SANGOI**	0	0.00	1-Apr-15				
				22-May-15	12,906	Purchase	12,906	0.01
				29-May-15	9,992	Purchase	22,898	0.02
				5-Jun-15	37,201	Purchase	60,099	0.06
				12-Jun-15	41,149	Purchase	101,248	0.11
				19-Jun-15	96,219	Purchase	197,467	0.21
				26-Jun-15	42,290	Purchase	239,757	0.26
				3-Jul-15	11,953	Purchase	251,710	0.27
				10-Jul-15	1,877	Purchase	253,587	0.27
				17-Jul-15	22,798	Purchase	276,385	0.30
				19-Feb-16	7,876	Purchase	284,261	0.31
				26-Feb-16	9,419	Purchase	293,680	0.32
				4-Mar-16	4,963	Purchase	298,643	0.32
		298,643	0.32	31-Mar-16				
13	NARINDER BAJAJ**	0	0.23	1-Apr-15				
				18-Sep-15	283,502	Purchase	283,502	0.30
				18-Dec-15	-13,502	Sale	270,000	0.29
				22-Jan-16	-30,963	Sale	239,037	0.26
		239,037	0.26	31-Mar-16				
14	RAJIV GARG**	112,500	0.23	1-Apr-15				
				10-Apr-15	7,500	Purchase	120,000	0.13
				1-May-15	-120,000	Sale	0	0.00
				8-May-15	50,000	Purchase	50,000	0.05
				15-May-15	75,000	Purchase	125,000	0.13
				29-May-15	5,000	Purchase	130,000	0.14
				4-Sep-15	2,500	Purchase	161,500	0.17
				18-Sep-15	28,500	Purchase	190,000	0.20
				16-Oct-15	10,300	Purchase	200,300	0.22
				23-Oct-15	14,700	Purchase	215,000	0.23
				6-Nov-15	2,329	Purchase	217,329	0.23
				13-Nov-15	14,712	Purchase	232,041	0.25
				20-Nov-15	459	Purchase	232,500	0.25
		232,500	0.25	31-Mar-16				

Note:-

* Ceased to be in TOP 10 list as on 31.03.2016. The same is reflected above since the shareholder was one of TOP 10 shareholders as on 01.04.2015.

** Not in TOP 10 shareholders as on 01.04.2014. The same is reflected above since the shareholder was one of TOP 10 shareholder as on 31.03.2016



(v) Shareholding of Directors and Key Managerial Personnel:

Particulars (For each of the Directors and KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the Year (01.04.2015)				
B.K. Choudhary (MD)	0	0	0	0
Vivek Gupta (CFO)	0	0	0	0
Ruchita Vij (CS)	0	0	0	0
S.P. Oswal	10	0	10	0
Sachit Jain	10	0	20	0
D.L. Sharma	1,000	0	1,020	0
M.C. Gupta	20,000	0	21,020	0
S.P. Singh	0	0	21,020	0
S.K. Bansal	0	0	21,020	0
Geeta Mathur	0	0	21,020	0
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NIL Movement during year	0	NIL Movement during year	0
At the end of the year (31.03.2016)	same as above (No change in holding)	0	same as above (No change in holding)	0

V. INDEBTEDNESS

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

₹ in lacs

Indebtedness at the beginning of the Financial Year (01.04.2015)	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	81.51	-	-	81.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	81.51	-	-	81.51
Change in Indebtedness during the Financial Year				
* Addition	-	-	-	-
* Reduction	8.05	-	-	8.05
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year (31.03.2016)				
i) Principal Amount	73.46	-	-	73.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	73.46	-	-	73.46

* Cash Credit Bank Accounts

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in lacs

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager B.K. Choudhary (MD)	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	39.86 1.73 -	39.86 1.73
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as% of profit - others, specify	22.50 -	22.50 0
5	Others, please specify	-	0
	Total (A)		64.09
	Ceiling as per the Act (5%)		227.15

B. Remuneration to other directors:

₹ in lacs

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		M.C. Gupta	S.P. Singh	S.K. Bansal	Geeta Mathur	
1.	Independent Directors Fee for attending board/committee meetings Commission Others, please specify	2.85 0 0	2.25 0 0	0.75 0 0	1.85 0 0	7.70 0 0
	Total (1)	2.85	2.25	0.75	1.85	7.70
2.	Other Non-Executive Directors Fee for attending board/committee meetings Commission Others, please specify Total (2)	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0
	Total (B)=(1+2)	2.85	2.25	0.75	1.85	7.70
	Total Managerial Remuneration					71.79
	Overall Ceiling as per the Act (11%)					499.73

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

₹ in lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
		N.A.	Ruchita Vij	Vivek Gupta	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		4.58 0.00 0.00	27.85 0 0	32.43 0 0
2	Stock Option		0.00	0	0
3	Sweat Equity		0.00	0	0
4	Commission - as% of profit - others, specify		0.00 0.00	0 0	0 0
5	Others, please specify		0.00	0	0
	Total		4.58	27.85	32.43

VII Penalties/Punishment/Compounding of offences: NIL

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

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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 gives an insight into the process of functioning of the Company. The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. Further, the Company has also implemented several best Corporate Governance practices as prevalent globally.

1. GROUP PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

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 (8) Directors, four Directors are independent.

b) Board Meetings:

During the Financial Year 2015-2016, the Board met Five (5) times on 04.05.2015, 28.07.2015, 24.10.2015, 18.01.2016 and 09.03.2016.

The composition of Board of Directors and Directors attendance at the Board meeting and at last Annual General Meeting of the Company, as also the number of Directorship/Chairmanships held by them in other Public Limited Companies, during the Financial Year 2015-16 are given as follows:-

Name of Director	Designation & Category	Attendance at Board and last AGM		Directorship in other Public Limited Companies	Committee Memberships in other Public Limited Companies	Board Chairmanships in other Public Limited Companies	Committee Chairmanships in other Public Limited Companies
		Board Meeting	Annual General Meeting				
S.P. Oswal	Non-Executive Chairman, Non Independent	3	Yes	7	1	4	-
B.K. Choudhary	Managing Director, Non Independent	5	No	2	3	-	-
Sachit Jain	Non-Executive Director, Non Independent	4	Yes	13	10	-	3
D.L. Sharma	Non-Executive Director, Non Independent	4	Yes	8	9	-	4
S.P. Singh	Non-Executive Director, Independent	5	Yes	-	-	-	-
M.C. Gupta	Non-Executive Director, Independent	5	No	2	5	-	3
S.K. Bansal	Non-Executive Director, Independent	3	No	1	4	-	-
Geeta Mathur	Non-Executive Director, Independent	5	No	9	17	-	3

**3. AUDIT COMMITTEE:**

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the Listing Regulations as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as set out in the Listing regulations and Section 177 of the Companies Act, 2013. 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. All members of the Audit Committee are financially literate and have accounting or related financial management expertise. Managing Director, Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Committee. The Company Secretary of the Company is the Secretary to this Committee.

During the Financial Year 2015-16, the Audit Committee met Four (4) times on 02.05.2015, 28.07.2015, 24.10.2015 and 18.01.2016. The attendance of the members of the Committee is given below:-

Committee Members	Category	No. of Audit Committee Meetings Attended
S.P. Singh	Non-Executive, Independent Director	4
M.C. Gupta	Non-Executive, Independent Director	4
D.L. Sharma	Non-Executive, Non-Independent Director	3

4. NOMINATION AND REMUNERATION COMMITTEE :**i. Committee – constitution, policy & meeting details:**

The constitution and terms of reference of Nomination & Remuneration committee of the Board of Directors was in conformity with the requirements of the SEBI Listing Regulations as well as Section 178 of the Companies Act, 2013. The said committee, consists of four directors viz. Mr. M.C. Gupta, Mr. S.P. Oswal, Mr. B.K. Choudhary & Ms. Geeta Mathur. Mr. M.C. Gupta is the chairman of said Committee. During the Financial Year 2015-16, the Committee met once and all the members attended the said committee.

The Company's approved Nomination & Policy is already attached with Board Report (pls refer Annexure 6 of Director's Report).

ii. Remuneration details:**a) Managing Director:**

The Company pays remuneration to the Managing Director as approved by the Board of Directors and Members of the Company in the General Meeting. During the Financial Year 2015-16, Managing Director drew a Salary of ₹ 64.09 lacs (Salary of ₹ 38.70 lacs, Commission ₹ 22.50 lacs and other including Perquisites ₹ 2.89 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 2015-16 is given below:-

SR. No.	Name of The Director	Sitting fee (₹)
1	S.P. Singh	225,000
2	M.C. Gupta	285,000
3	S.K. Bansal	75,000
4	Geeta Mathur	185,000

iii. Shareholding:

The shareholding of the Directors in the equity share capital of the Company as at 31st March, 2016 given as follows:-

S.No.	Name of Director	Number of Shares held	S.No.	Name of Director	Number of Shares held
1.	S.P. Oswal	10	5.	M.C. Gupta	20,000
2.	Sachit Jain	10	6.	S.P. Singh	NIL
3.	D.L. Sharma	1,000	7.	S.K. Bansal	NIL
4.	B.K. Choudhary	NIL	8.	Geeta Mathur	NIL

iv. Relationship *inter se*:

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

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE (STAKEHOLDERS RELATIONSHIP):

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 18.01.2016 and the same was attended by Mr. M.C. Gupta & Mr. B.K. Choudhary. Ms. Ruchita Vij, Company Secretary of the Company, is the Compliance Officer for this Committee.

During the Financial Year 2015-16, the Company has not received any complaint.

6. GENERAL BODY MEETINGS :

a. The details of **last three Annual General Meetings and passing of Special resolution**, are given as follows:-

Financial Year (ended)	Day, date & time of the meeting	Venue	No. of Special Resolutions
31 st March, 2015 25 th AGM	Friday 4 th September 2015 At 3.00 p.m.	Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010	2
31 st March, 2014 24 th AGM	Tuesday 25 th September 2014 At 10.00 a.m.	Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010	2
31 st March, 2013 23 rd AGM	Saturday, 31 st August 2013 At 10.00 a.m.	Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010	1

b. Postal Ballot:

The Company has not passed any resolution through postal ballot, during the Financial Year 2015-2016.

7. DISCLOSURES:

1. There was no materially significant related party transactions that may have any potential conflict with interest of the Company at large.
2. 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.
3. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website at https://www.vardhman.com/user_files/investor/342a7263db1c05444c897e9056f0e1d9707cda151436265916.pdf. During the year no personnel has been denied access to the audit committee.
4. Further, the Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company may also take-up the non-mandatory requirements of the Listing Regulations, 2015 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 'Desh Sewak'. The Financial Results of the Company are also made available at the web-site of the Company www.vardhman.com.



Vardhman

9. GENERAL SHAREHOLDERS INFORMATION:**i) 26th Annual General Meeting:**

Date	: Monday, 5 th September, 2016
Time	: 11.00 A.M.
Venue	: Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana- 141 010

ii) Financial Calendar 2016-2017 (Tentative):

First Quarter Results	: July, 2016
Second Quarter Results	: October, 2016
Third Quarter Results	: January, 2017
Annual Results	: May, 2017

iii) Date of Book Closure: : 29th August, 2016**iv) Dividend payment date** : N.A.**v) Listing:** The Shares of the Company are presently listed on National Stock Exchange of India Ltd., Mumbai (NSE). "Exchange Plaza", Bandra - Kurla Complex, Bandra (East), Mumbai-400 051. The Company has duly paid the listing fee to National Stock Exchange for the Financial Year 2015-16.**vi) Stock Code**

- The National Stock Exchange of India Ltd. : VARDHACRLC

vii) Stock Market Data

The month-wise highest, lowest and closing stock prices on the National Stock Exchange during the Financial Year 2015-16 are given below :-

Financial Year 2015-16	Share Prices of the Company			
	Highest	Lowest	Closing	% Change over last month's closing
Apr-15	26.85	22.85	23.90	0.631
May-15	29.00	24.25	26.00	8.786
Jun-15	29.10	25.15	28.00	7.692
Jul-15	35.50	26.50	30.70	9.642
Aug-15	32.00	24.25	26.25	-14.495
Sept-15	29.00	24.10	28.50	8.571
Oct-15	29.70	25.70	26.55	-6.842
Nov-15	31.10	25.05	29.75	12.052
Dec-15	40.10	28.20	35.75	20.168
Jan-16	42.40	30.25	32.50	-9.09
Feb-16	35.25	27.35	30.35	-6.615
Mar-16	41.90	30.50	32.80	8.072

viii) Registrar & Share Transfer Agent:

Pursuant to 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 Share Transfer Agents Limited at its address given below :-

M/s. MCS Share Transfer Agent Limited
 CIN NO.U67120WD2011PLC65872
 12/1/5, Manoharpukur Road
 Ground Floor, Kolkata 700026
 PHONE NUMBERS: 033-40724051/55 FAX NO.033-40724050
 Email id: uday_mcs@yahoo.in

ix) Share Transfer System:

M/s. MCS Share Transfer Agent Ltd, Kolkata, is the Registrar and Share Transfer Agents of the Company. As per the arrangement with them, the list of valid transfers prepared by the Transfer Agents in respect of share transfers cases received by them and objections, if any, 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 **INE116G01013**.

x) Distribution of Shareholding as on 31st March, 2016:

Range of Number of Shares	SHAREHOLDERS		SHARES	
	Number	Percent	Number	Percent
1 - 500	6321	59.841	1639178	1.762
501 - 1000	1964	18.593	1813321	1.949
1001 - 2000	887	08.397	1513500	1.627
2001 - 3000	370	3.5028	1009248	1.085
3001 - 4000	155	01.467	573362	0.616
4001 - 5000	264	02.499	1286699	1.383
5001 - 10000	302	02.859	2391170	2.570
10001 - 50000	243	02.300	5355841	5.758
50001 - 100000	27	0.255	1971900	2.120
And Above	30	0.284	75453617	81.126
TOTAL	10563	100.00	93007836	100.00

xi) Dematerialisation of shares:

As on 31st March, 2016, 99.98% of the capital comprising 92,995,916 Equity shares was in dematerialised form.

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, MEGA ESTATE
 Jhagadia 393 110
 Distt. Bharuch, Gujarat.



Vardhman

Vardhman Acrylics Limited

Address for correspondence:

Registered Office: Chandigarh Road, Ludhiana-141 010.

Tel : 0161-2228943-48

Fax : 0161-2220766

E-mail : secretarial.lud@vardhman.com

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

DECLARATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

All the Board Members and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2015-16.

Place: Ludhiana
Dated: April 30, 2016

Sd/-
(S.P. Oswal)
Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE [Pursuant to Regulation 34 read with Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2016 as stipulated in Regulation 27 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

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 SEBI Listing Regulations 2015.

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 : April 30, 2016

Sd/-
(CA Kamal Kishore)
Partner
Membership No.: 078017

Independent Auditor's Report

To
The Members,
Vardhman Acrylics Limited

Report On the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vardhman Acrylics Limited ("the Company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule (7) of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and design, implementation, and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statement that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on matters specified in paragraphs 3 and 4 of the order;
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
 - (g) With respect to the other matters to be included, in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to explanations given to us;
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 16A to the financial statements;
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm's registration No.- 000756N

Sd/-
(Kamal Kishore)
Partner

Place: New Delhi
Date: 30-04-2016

Membership No. 078017

**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As part of this programme, the management has physically verified certain fixed assets during the year. Discrepancies noticed on such verification as compared to book records, which were not material, have been properly adjusted in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, physical verification has been conducted by management at reasonable intervals in respect of finished goods, stores and spares and spares parts and raw material. Further, stock in the possession and custody of third parties and stock in transit as at 31st March, 2016 has been verified by the management with reference to confirmation and statement of accounts or correspondence with the third party or subsequent receipt of goods. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such physical verification.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Thus, clause 3(iii) of the order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public as per directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the cost accounting records maintained by the Company pursuant to 'The Companies (Cost Records and Audit) Rule, 2014' as notified by notification no. 425 (E) dated 30th June, 2014 of Ministry of Corporate Affairs, Government of India under section 148 of the Companies Act, 2013. We are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by Company. We are, however, not required to make a detailed examination of such books and records.
- (vii) (a) In our opinion and according to the information and explanations given to us and according to the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Service tax, Custom duty, Excise duty, Value added Tax, Cess and other material statutory dues, wherever applicable, have been regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2016.
- (b) According to the information and explanations given to us, there are no material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Excise duty, service tax, value added tax and Income tax have not been deposited by the Company on account of disputes:

Nature of Statute	Nature of Due	Forum where Dispute is Pending	Amount (₹ in lacs)	Period to which the amount relates
The Central Excise and Salt Act, 1944	Cenvat Credit	CESTAT, Ahmedabad	1.17	2006-10
Income Tax Act, 1961	Income Tax	CIT(Appeals)	71.87	AY 2013-14 Since adjusted
The Gujarat VAT Tax Act, 2003	VAT & CST	Joint Commissioner of Commercial Tax (Appeal-2) Vadodara	178.16	2009-10
The Gujarat VAT Tax Act, 2003	VAT & CST	Gujarat Value Added Tax Tribunal Ahmedabad	112.54	2008-09
The Gujarat VAT Tax Act, 2003	VAT	Hon'ble Supreme Court	43.27	2004-05 & 2005-06
The Finance Act, 1994	Service Tax	Commissioner (Appeals) Surat	2.00	2009-13
The Finance Act, 1994	Service Tax	Commissioner (Appeals) Surat	2.15	2014-15

- (viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of loans and borrowings to any financial institution or government or bank or dues to debenture holders as at the balance sheet date.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm's Registration No.- 000756N

Sd/-
(Kamal Kishore)

Partner

Membership No. 078017

Place: New Delhi
Date: 30-04-2016

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Vardhman Acrylics Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.S. Kothari Mehta & Co.

Chartered Accountants
Firm's Registration No.- 000756N

**Sd/-
(Kamal Kishore)**

Partner
Membership No. 078017

**Place: New Delhi
Date: 30-04-2016**



Vardhman

Vardhman Acrylics Limited

BALANCE SHEET as at 31st March, 2016

(₹ in Lacs)

Particulars	Note no.	As at 31.03.2016	As at 31.03.2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	9,300.78	9,300.78
b) Reserves and Surplus	3	20,221.72	22,830.68
		<u>29,522.50</u>	<u>32,131.46</u>
2 Non-current liabilities			
a) Long-term borrowings	4	-	-
b) Deferred tax liabilities (net)		1,466.20	1,474.71
c) Other long term liabilities		9.34	9.10
d) Long-term provisions		39.37	134.37
		<u>1,514.91</u>	<u>1,618.18</u>
3 Current liabilities			
a) Short-term borrowings	5	73.46	81.51
b) Trade payables			
Outstanding dues to Micro, Small and Medium Enterprises		65.96	34.27
Outstanding dues to trade payables other than Micro and Small Enterprises		3,047.05	6,585.28
c) Other current liabilities		845.73	547.70
d) Short-term provisions		969.16	1,979.75
		<u>5,001.36</u>	<u>9,228.51</u>
TOTAL		<u>36,038.77</u>	<u>42,978.15</u>
II ASSETS			
1 Non-current assets			
a) Fixed assets	6		
i) Tangible assets		7,329.15	7,241.32
ii) Intangible assets		-	-
iii) Capital work-in-process		10.73	234.42
		<u>7,339.88</u>	<u>7,475.74</u>
b) Non-current investments		8,664.75	10,664.75
c) Long-term loans and advances		48.17	45.82
d) Other non-current assets		77.17	0.23
		<u>16,129.97</u>	<u>18,186.54</u>
2 Current assets			
a) Current investments	7	13,445.73	15,590.53
b) Inventories		5,248.62	7,003.78
c) Trade receivables		188.74	148.41
d) Cash and cash equivalents		100.57	279.37
e) Short-term loans and advances		440.83	368.21
f) Other current assets		484.31	1,401.31
		<u>19,908.80</u>	<u>24,791.61</u>
TOTAL		<u>36,038.77</u>	<u>42,978.15</u>

Summary of Significant Accounting Policies 1
The notes referred to above form an integral part of financial statements

As per our report of even date
For S.S. Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No: 000756N

KAMAL KISHORE
Partner
Membership. No. 078017

Place: New Delhi
Dated: 30-04-2016

RUCHITA VIJ
Company Secretary

VIVEK GUPTA
Chief Financial Officer

For and on behalf of the Board of Directors

B.K.CHOUDHARY
Managing Director
DIN: 00307110

S.P.OSWAL
Chairman
DIN: 00121737

Place: Ludhiana
Dated: 30-04-2016

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	Note no.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
i Revenue from operations (gross)	8	44,668.05	54,080.28
Less: Excise duty		3,506.90	4,272.46
Revenue from operations (net)		41,161.15	49,807.82
ii Other income	9	589.79	1,615.73
iii Total Revenue (i + ii)		41,750.94	51,423.55
iv Expenses :			
Cost of material consumed	10	17,617.87	25,244.33
Purchase of Stock-in-Trade	11	13,000.26	15,055.84
Changes in inventories of Finished goods, Work-in-Progress and Stock-in-Trade	12	170.27	58.48
Employee benefit expenses	13	1,228.45	1,147.56
Finance costs	14	24.46	30.17
Depreciation and amortization		456.94	476.87
Other expenses	15	4,773.78	4,948.81
Total Expenses		37,272.03	46,962.06
v Profit before exceptional and extraordinary items and tax		4,478.91	4,461.49
vi Less : Exceptional items		-	-
vii Profit before extraordinary items and tax		4,478.91	4,461.49
viii Less : Extraordinary items		-	-
ix Profit before tax		4,478.91	4,461.49
x Less : Tax expense :			
- Current Tax		1,500.00	1,062.69
- Deferred tax		(8.51)	56.49
xi Profit for the period after tax		2,987.42	3,342.31
Less : Prior Period Adjustments (Net)		4.56	0.20
Net Profit/(Loss)		2,982.86	3,342.11
Earning Per Share			
(Nominal value of equity share ₹ 10/-)			
- Basic		3.21	3.59
- Diluted		3.21	3.59

Summary of Significant Accounting Policies 1

The notes referred to above form an integral part of financial statements

As per our report of even date
For S.S. Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No: 000756N

KAMAL KISHORE
Partner
Membership. No. 078017

Place: New Delhi
Dated: 30-04-2016

RUCHITA VIJ
Company Secretary

VIVEK GUPTA
Chief Financial Officer

For and on behalf of the Board of Directors

B.K.CHOUHDHARY
Managing Director
DIN: 00307110

S.P.OSWAL
Chairman
DIN: 00121737

Place: Ludhiana
Dated: 30-04-2016



Vardhman

Vardhman Acrylics Limited

CASH FLOW STATEMENT for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	4,474.35	4,461.29
Adjustments for :		
Depreciation and Amortization	456.94	476.87
Interest paid	3.28	4.57
Interest received	(48.64)	(602.76)
(Profit)/Loss on sale of investment (net)	(268.20)	(693.76)
Dividend on investments	(146.01)	(199.49)
(Profit)/Loss on sale of assets (net)	(0.62)	(2.59)
Assets written off	21.22	10.84
Bad debts written off/Excess Income Written off/Written off Dead items.	0.15	0.45
Liabilities/Provisions no longer required written back	(30.59)	(102.38)
Operating Profit before Working Capital changes	4,461.88	3,353.04
Adjustments for :		
Decrease/(Increase) in trade & other receivables	760.24	971.12
Decrease/(Increase) in Inventories	1,755.16	699.31
(Decrease)/Increase in sundry creditors/current liabilities	(3,316.41)	1,765.07
Cash generation from operations	3,660.87	6,788.54
Direct Taxes Paid	(1,385.89)	(1,253.47)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	2,274.98	5,535.07
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(345.49)	(481.85)
Sale of fixed assets	3.81	5.44
Interest received	89.95	671.02
Dividend received	146.01	199.49
Sale of Investments in Mutual Funds/Liquid Funds/Debt Funds	8,590.53	10,105.45
Purchase of Investments in Mutual Funds/Liquid Funds/Debt Funds	(4,177.53)	(16,254.72)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	4,307.28	(5,755.16)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) from short - term borrowings	(84.99)	(78.28)
Dividend paid on equity shares	(5,531.46)	-
Tax on equity dividend paid	(1,141.33)	-
Interest paid	(3.28)	(4.57)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	(6,761.06)	(82.85)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(178.80)	(302.94)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	279.37	582.31
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR*	100.57	279.37
Bank Balances in current accounts	99.33	76.15
Bank Balances in cash credit accounts	1.08	202.63
Cash in hand	0.16	0.59
	100.57	279.37

* Excluding ₹ 77.13 lacs (previous year ₹ 0.23 lacs) included in other non-current assets

Summary of Significant Accounting Policies

1

The notes referred to above form an integral part of financial statements

As per our report of even date
For S.S. Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No: 000756N

KAMAL KISHORE
Partner
Membership. No. 078017

Place: New Delhi
Dated: 30-04-2016

RUCHITA VIJ
Company Secretary

VIVEK GUPTA
Chief Financial Officer

For and on behalf of the Board of Directors

B.K.CHOUDHARY
Managing Director
DIN: 00307110

S.P.OSWAL
Chairman
DIN: 00121737

Place: Ludhiana
Dated: 30-04-2016

NOTE NO. 1 SIGNIFICANT ACCOUNTING POLICIES:**1.1) Basis of preparation of financial Statements:**

The financial statements are prepared under the historical cost convention, ongoing concern basis, in terms of the Accounting Standard as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule (7) of the Companies (Accounts) Rules, 2014. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting Policies not specially referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

1.2) 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.

1.3) 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) Investment:

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment.

iii) Interest:

Interest income is recognized on a time proportion method, based on rate implicit in the transaction.

iv) Dividend:

Dividend income is recognized when the Company's right to receive the dividend is established.

v) Benefit under Duty Entitlement Pass Book Scheme/Duty Drawback Scheme

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

vi) 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.

1.4) Employee 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**

The Employees Gratuity Fund Scheme, managed by Employee's Group Gratuity Trust is a defined benefit plan. The liability for gratuity is provided on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date using projected unit credit method. The Present Value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

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) Actuarial gain/loss is recognized in statement of profit and loss account.

**1.5) Fixed Assets, intangible assets and capital work in progress:**

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

1.6) Depreciation and Amortization:

- (i) Depreciation is provided on straight line method for the fixed assets considering the useful life prescribed in the Schedule II to the Companies Act, 2013.
- (ii) Depreciation on assets costing ₹ 5000/- or below is charged @ 100% per annum on proportionate basis.
- (iii) Leasehold land is amortised over the period of lease.
- (iv) Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use.

1.7) Investments:

Trade Investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current Investments are carried at lower of cost and fair value of each investment individually. Long term Investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

As at Balance Sheet date the investments that are intended to be held for not more than one year are re-classified as current investments in order to comply with the requirements of Schedule III of Companies Act, 2013.

1.8) Inventories:

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

- In case of raw materials, at weighted average cost plus direct expenses.
- In case of stores & 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.

1.9) 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.

1.10) 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.

1.11) 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.

1.12) 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.

1.13) 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.

1.14) 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.

1.15) 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 contracts 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 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 statement of Profit and Loss. The profit, if any, arising thereon is ignored.

1.16) 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.

1.17) 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.

1.18) 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.

1.19) 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;
 - 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.

1.20) Cash and cash equivalents:

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.21) Cash flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



Vardhman

Vardhman Acrylics Limited

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Amounts in the financial statements are presented in ₹ Lacs, except for per share data and as otherwise stated. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current period presentation.

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 2. - SHARE CAPITAL		
Authorised		
Equity Shares, ₹10/- par value 150,000,000 (Previous Year 150,000,000)	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, Subscribed and Paid-up		
Equity Shares, ₹ 10/- par value 93,007,836 (Previous Year 93,007,836) equity shares fully paid up	9,300.78	9,300.78
Total issued, subscribed and fully paid-up share capital	9,300.78	9,300.78

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

Particulars	FY 2015-16		FY 2014-15	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
Outstanding at the beginning of the period	93,007,836	9,300.78	93,007,836	9,300.78
Add: Issued during the reporting period	-	-	-	-
Less: Bought back during the period	-	-	-	-
Outstanding at the end of period	93,007,836	9,300.78	93,007,836	9,300.78

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
a) Vardhman Textiles Limited, the holding Company 6,58,00,834 (previous year 6,58,00,834) Equity Shares of ₹ 10/- each fully paid	6,580.08	6,580.08
b) VTL Investments Limited, the subsidiary of holding Company 78,170 (previous year 78,170) Equity Shares of ₹ 10/- each fully paid	7.82	7.82

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

Name of Shareholders	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
Vardhman Textiles Ltd.	65,800,834	70.75	65,800,834	70.75

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 3 - RESERVES AND SURPLUS		
Capital redemption reserve	1,552.47	1,552.47
General Reserve		
Balance As per last financial statements	4,006.15	1,006.15
Add: amount transferred from surplus balance in the statement of profit and loss	-	3,000.00
Closing Balance	4,006.15	4,006.15
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	17,272.06	18,248.61
Add: Profit for the period	2,982.86	3,342.11
Less: Effect of change in Depreciation as per Companies Act, 2013	-	296.61
Add: Impact of Deferred Tax due to change in Depreciation rate with regard to Companies Act, 2013	-	102.65
Add: Corporate dividend tax written back	5.28	-
Less: Appropriations		
Interim equity dividend (amount per share ₹ 5/-) (previous year amount per share ₹ NIL)	4,650.39	-
Proposed equity dividend (amount per share ₹ NIL) (previous year amount per share ₹ 1/-)	-	930.08
Corporate Dividend Tax	946.71	194.62
Transferred to General reserve	-	3,000.00
Net surplus in the statement of profit and loss	14,663.10	17,272.06
Total reserves and surplus	20,221.72	22,830.68
NOTE 4 - NON-CURRENT LIABILITIES		
a) Long-term borrowings :	-	-
b) Deferred tax liabilities (net) Refer Note no. 16.G	1,466.20	1,474.71
c) Other long term liabilities :		
- Other liabilities	9.34	9.10
	9.34	9.10
d) Long-term provisions :		
Provision for employee benefits		
- Provision for leave benefits (unfunded)	29.08	25.66
- Provision for gratuity (funded)	10.29	108.71
(refer Note 16B)	39.37	134.37
	1,514.91	1,618.18



Vardhman

Vardhman Acrylics Limited

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 5 - CURRENT LIABILITIES		
a) Short-term borrowings :		
Secured :		
Cash credit from banks*	73.46	81.51
	73.46	81.51
*Cash credit from banks is secured by hypothecation of entire present and future tangible current assets and second charge on all immovable assets.		
b) Trade payables :		
i) Trade payables (including acceptances)		
- Outstanding dues to Micro, Small and Medium Enterprises Refer Note no- 16.1	65.96	34.27
- Outstanding dues to trade payables other than Micro and Small Enterprises	3,047.05	6,585.28
	3,113.01	6,619.55
c) Other current liabilities :		
i) Interest accrued but not due on borrowings	-	-
ii) Unpaid dividends [#]	43.73	
iii) Others		
- Trade deposits and advances	26.67	61.51
- Salaries and benefits	159.72	135.25
- Provision for expenses	528.51	278.80
- Withholding and other tax payables	87.10	72.14
	845.73	547.70
d) Short-term provisions :		
Provision for taxation (Net of advance taxes ₹ 10,221.02 Lacs, Previous year ₹ 8,835.13 Lacs)	969.16	855.05
Provision for proposed dividend on equity shares	-	930.08
Provision for tax on proposed dividend	-	194.62
	969.16	1,979.75

[#] Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund

Notes to financial statements as at and for the year ended 31st March 2016.

NOTE 6 - NON-CURRENT ASSETS

(a) FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK		
		As at 01.04.2015	Additions	Sales/ Adjustments	As at 01.04.2015	Adjustments	Depreciation for the year	Transferred to Retained earnings	Upto 31.03.2016	As at 31.03.2016
	Tangible Assets:									
1	Land - Leasehold	1,458.88	-	-	234.71	-	*15.32	-	250.03	1,208.85
2	Buildings	2,466.78	156.05	-	1,074.03	-	62.89	-	1,136.92	1,485.91
3	Plant & Machinery	20,296.28	396.94	121.67	15,749.96	(100.45)	361.09	-	16,010.60	4,560.95
4	Furniture & Fixtures	64.89	10.20	-	56.68	-	3.14	-	59.82	15.27
5	Vehicles	72.74	0.19	3.81	15.87	(0.62)	8.57	-	23.82	45.30
6	Office Equipment	120.79	5.80	-	107.79	-	5.93	-	113.72	12.87
	Intangible Assets:	-	-	-	-	-	-	-	-	-
	Total	24,480.36	569.18	125.48	17,239.04	(101.07)	456.94	-	17,594.91	7,329.15
	Previous Year	24,008.28	541.11	69.03	16,520.89	(55.33)	476.87	296.61	17,239.04	7,241.32
	Capital Work-in-Progress									10.73
										234.42

Note:-

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



Vardhman

Vardhman Acrylics Limited

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 6 - NON-CURRENT ASSETS		
b) Non-current investments (valued at cost unless stated otherwise):		
1) Trade :	-	-
2) Non trade		
Equity Shares (Unquoted)		
16,47,525 (Previous Year 16,47,525) Equity Shares of Bharuch Eco-Aqua Infrastructure Ltd. of ₹ 10/- each fully paid up.	164.75	164.75
Mutual Funds; Debt Funds; Fixed Maturity plans (Quoted)		
1,00,00,000 (Previous Year 1,00,00,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund -XXV-Series 16-Growth Plan	1,000.00	1,000.00
2,00,00,000 (Previous Year 2,00,00,000) Units of ₹ 10/- each of Kotak Fixed Maturity plans Series 140 Growth	2,000.00	2,000.00
2,50,00,000 (Previous Year 2,50,00,000) Units of ₹ 10/- each of Kotak Fixed Maturity plans Series 150 Growth	2,500.00	2,500.00
1,50,00,000 (Previous Year 1,50,00,000) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XVIII-I (400 Days) Direct Growth Plan	1,500.00	1,500.00
1,00,00,000 (Previous Year 1,00,00,000) Units of ₹ 10/- each of DSP Blackrock FTP - Series 44 -36 months - direct growth	1,000.00	1,000.00
NIL (Previous Year 2,50,00,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXIV -Growth Plan	-	2,500.00
50,00,000 (Previous Year NIL) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XXII-VI Growth Plan	500.00	-
	8,664.75	10,664.75
Aggregate book value of quoted investments	8,500.00	10,500.00
Market value of quoted investments	10,133.78	11,781.28
Aggregate book value of unquoted investments	164.75	164.75
c) Long-term loans and advances :		
(unsecured considered good, unless stated otherwise)		
i) Security deposits	43.35	42.66
ii) Other loans and advances		
- Loans and advances to employees	4.82	3.16
	48.17	45.82
d) Other non-current assets :		
- Deposits with original maturity for more than twelve months	77.17	0.23
	77.17	0.23

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 7 - CURRENT ASSETS		
a) Current Investments (valued at lower of cost and fair value)		
Preference Shares (Quoted)		
5,00,000 (Previous Year Nil) Redeemable Preference Share of ₹ 100/- each of L & T Finance Holdings Ltd.	500.00	-
Bonds (Quoted)		
Nil (Previous Year 10,875) 8% Tax-free Secured Redeemable Non-convertible Bonds of ₹ 1,000/- each of Indian Railway Finance Coproration Ltd (IRFCL)	-	108.75
Nil (Previous Year 3,330) 8.66% Tax-free Bonds of ₹ 1,000/- each of NTPC Ltd.	-	33.30
Nil (Previous year 100,000) 8.51% Tax-free Bonds of ₹ 1,000 each of the Housing & Urban Development Corporation	-	1,000.00
NIL (Previous Year 200) Bonds of ₹ 10,00,000/- each of India Infoline Ltd. Duration Product I-042	-	2,000.00
Mutual Funds/Debt Fund/Monthly Income plans		
60,779 (Previous Year 60,779) Units of ₹ 1,000/- each of Principal Bank CD Fund-Direct Plan Growth.	1,000.00	1,000.00
2,13,20,689 (Previous Year 2,13,20,689) Units of ₹ 10/- each of JP Morgan Indian banking and PSU debt fund - Direct plan - Growth option	2,500.00	2,500.00
Nil (Previous Year 1,50,039) Units of ₹ 1,000/- each of Principal Cash Management Fund - Direct Plan Dividend option Daily-Reinvestment.	-	1,500.98
Nil (Previous Year 15,425) Units of ₹ 1,000/- each of SBI Ultra Short term debt fund - Direct Daily dividend	-	155.02
Nil (Previous Year 167,619) Units of ₹ 1,000/- each of SBI Ultra Short term debt fund - Regular daily dividend	-	1,681.66
Nil (Previous Year 18,945) Units of ₹ 1,000/- each of SBI Premier Liquid Fund - Direct Plan - Daily dividend	-	190.06
Nil (Previous Year 140,818) Units of ₹ 1,000/- each of Principal Debt Opportunities Fund Conservative Plan - Direct Plan Dividend Daily	-	1,410.79
Nil (Previous Year 50,412) Units of ₹ 1,000/- each of Kotak Floater short term -Direct plan - Daily dividend	-	509.98
96,90,611 (Previous Year Nil) Units of ₹ 10/- each of JP Morgan Indian active bond fund -Direct plan-Growth option	1,500.00	-
2,50,00,000 (Previous Year NIL) Units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXIV -Growth Plan	2,500.00	-
2,24,30,779 (Previous Year 2,24,30,779) Units of ₹ 10/- each of JP Morgan Indian banking and PSU debt fund -Regular plan-Growth option	2,500.00	2,500.00
57,77,241 (Previous Year 57,77,241) Units of ₹ 10/- each of IDFC Dynamic bond fund - Growth -Direct plan	1,000.00	1,000.00
31,419 (Previous Year NIL) Units of ₹ 1000/- each of Principal Cash Management Fund Direct Growth Plan	462.00	-
62,643 (Previous Year NIL) Units of ₹ 1,000/- each of SBI Premier Liquid Fund - Regular Plan Growth	1,483.73	-
	13,445.73	15,590.53
Aggregate book value of quoted investments	13,445.73	15,590.53
Market value of quoted investments	14,514.30	15,795.64
Aggregate book value of unquoted investments	-	-



Vardhman

Vardhman Acrylics Limited

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
b) Inventories (valued at lower of cost and net realizable value).		
- Raw Materials	943.24	2,012.02
- Raw Materials in transit	2,121.59	2,613.13
- Finished Goods	617.87	722.29
- Work In Process	204.66	270.51
- Stores and Spares	876.89	959.16
- Stores and Spares in transit	-	1.65
- Trading goods in transit (Fibre)	484.37	425.02
	5,248.62	7,003.78
c) Trade receivables		
(Unsecured, considered good unless stated otherwise)		
a) Outstanding for a period exceeding six months from the date they are due for payment		
i) Considered Good	12.79	18.54
ii) Considered Doubtful	4.84	4.84
b) Other Receivables : Considered Good	175.95	129.87
	193.58	153.25
Less : Provision for doubtful receivables	4.84	4.84
	188.74	148.41
d) Cash and cash equivalents :		
Balance with banks :		
- In current accounts	99.33	76.15
- In cash credit accounts	1.08	202.63
Cash in hand	0.16	0.59
	100.57	279.37
e) Short-term loans and advances :		
(Unsecured, considered good)		
- For supply of goods and rendering of services	410.63	341.01
- Loans and advances to employees	9.81	7.08
- Prepaid expenses	12.79	15.52
- Security Deposits	7.60	4.60
	440.83	368.21
f) Other current assets :		
- Interest Accrued but not due	0.41	41.72
- Balances and Deposits with Government Authorities & Others	483.90	1,359.59
	484.31	1,401.31

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
NOTE 8 - REVENUE FROM OPERATIONS		
Sale of products		
Finished Goods (Fibre & Tow)	31,486.11	38,724.94
Trading Goods (Fibre)	13,142.39	15,307.58
Other Operating Revenue	39.55	47.76
	44,668.05	54,080.28
Less : Excise duty	3,506.90	4,272.46
	41,161.15	49,807.82
NOTE 9 - OTHER INCOME		
Interest income		
- on inter company deposits and others	38.75	210.13
- on current investments	9.89	354.20
- on long-term investments	-	38.43
Dividend		
- on long term investments	36.85	-
- on current investments	109.16	199.49
Net Gain on sale of		
- long term investments	153.21	682.20
- current investments	114.99	11.56
Insurance claims received	4.06	13.64
Sundry balances/Liabilities/Provisions no longer required, written back/off (net).	30.59	102.38
Other non operating income	0.55	1.11
Exchange Rate Fluctuation (Net)	91.12	-
Net Gain on sale of assets	0.62	2.59
	589.79	1,615.73
NOTE 10 - COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	2,012.02	4,322.88
Add : Purchases	16,549.09	22,933.47
	18,561.11	27,256.35
Less: inventory at the end of the year	943.24	2,012.02
Cost of raw material and components consumed	17,617.87	25,244.33
Raw materials consumed (Major Heads)		
Acrylonitrile	15,785.31	23,046.22
Vinyl Acetate Monomer	1,274.92	1,558.64
Others	557.64	639.47
	17,617.87	25,244.33
NOTE 11 - PURCHASES OF STOCK-IN-TRADE		
Acrylic Fibre	13,000.26	15,055.84
	13,000.26	15,055.84
NOTE 12 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Inventories at the beginning of the year		
Work-in-Process	270.51	232.60
Finished Goods	722.29	818.68
	992.80	1,051.28
Less - Inventories at the end of the year		
Work-in-Process	204.66	270.51
Finished Goods	617.87	722.29
	822.53	992.80
	170.27	58.48
Stock Particulars of Finished Goods		
Fibre & Tow	QTY (MT) 555.34	QTY (MT) 460.30
	617.87	722.29



Vardhman

Vardhman Acrylics Limited

Notes to financial statements as at and for the year ended 31st March 2016.

(₹ in Lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
NOTE 13 - EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and other allowances	1,132.48	1,063.03
Contribution to Provident and other Funds	63.49	55.56
Staff welfare expense	27.47	25.02
Recruitment expenses	5.01	3.95
	1,228.45	1,147.56
NOTE 14 - FINANCE COSTS		
Interest on		
- Working capital & others	3.28	4.57
Bank & Other charges	21.18	25.60
	24.46	30.17
NOTE 15 - OTHER EXPENSES		
Power and fuel	2,412.73	2,572.86
Water charges	218.49	196.63
Consumption of stores and spares	354.94	433.51
Repair and maintenance		
- Machinery Repairs	516.47	431.94
- Building Repairs	53.79	53.42
- Other Repairs	6.42	6.30
Rent	11.37	6.44
Rates and Taxes	294.80	267.23
Insurance	25.79	27.77
Payment to auditor (Refer details below)	3.42	3.27
Legal and professional	23.90	23.06
Travelling and conveyance	25.67	30.77
Printing and Stationery	10.18	12.48
Postage, telegram and telephones	9.11	12.55
Bad debts written off/Excess Income Written off/Written off Dead items.	0.15	0.45
Exchange rate fluctuation (Net)	-	104.95
Fixed Assets written off	21.22	10.84
Increase/(decrease) of excise duty on inventory	5.02	(22.66)
Charity and donation (refer Note 16 N)	14.90	13.45
Allocation of common corporate expenses	76.98	80.72
Miscellaneous Expenses	75.89	54.24
Selling expenses and freight and forwarding charges	612.54	628.59
	4,773.78	4,948.81
Payment to auditor		
As auditor:		
- Audit Fee	1.91	1.91
- Tax Audit Fee	0.34	0.34
In other capacity		
- Other services	0.69	0.67
Reimbursement of expenses	0.48	0.35
	3.42	3.27

Notes to financial statements as at and for the year ended 31st March 2016.

NOTE NO. 16

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
A. Contingent Liabilities not provided for:		
a) Letters of Credit Outstanding	287.52	1,683.40
b) Bank Guarantees	77.00	302.00
c) Service Tax, Excise duty and cenvat credit under dispute against which appeals have been filed/are being filed.	160.55	120.63
d) Company has contested demand in respect of Sales tax/VAT amounting to ₹ 379.01 lac (Previous year ₹ 406.75 lac). As against the above demand, a sum of ₹ 45.04 Lac (Previous year ₹ 45.04 Lac) has been deposited under protest and stands under the head "Other current Asset-Balances and Deposits with Government Authorities & Others". The company has filed an appeal with Appellate Authorities and is advised that the demand is not in accordance with law. No Provision therefore, has been made in accounts in respect thereof.		
e) The Company has contested the additional demand in respect of income tax amounting to ₹ 92.92 lacs (Previous year ₹ 1,182.61 lacs). Pending appeal with Appellate Authorities, provision of ₹ 74.52 lac (Previous Year ₹ 571.22 lac) has not been made in the books of account as the company is confident to get the desired relief.		
f) Capital and other commitments		
i) For commitments relating to lease arrangements, please refer note no - 16. E	-	-
ii) Corporate guarantees/undertaking issued on behalf of third parties.	-	-
iii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	34.24	15.93

B. Employee Benefits:

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

(a) Changes in the present value of the obligations (Amount in Lacs)

Particulars	Leave (Unfunded)		Gratuity	
	Current year	Previous Year	Current year (Funded)	Previous Year (Unfunded)
Present value obligation as at beginning of the year	25.66	20.05	108.71	85.19
Interest cost	1.77	1.39	8.37	6.64
Past Service cost	-	-	-	-
Current service cost	13.77	12.38	15.53	14.16
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(7.11)	(5.01)	(8.08)	(2.31)
Actuarial (gain)/ loss on Obligations	(5.01)	(3.15)	(5.53)	5.03
Present value obligation as at end of the year	29.08	25.66	119.00	108.71

(b) Changes in Fair Value of Plan Asset (Amount in Lacs)

Particulars	Leave (Unfunded)		Gratuity	
	Current year	Previous Year	Current year (Funded)	Previous Year (Unfunded)
Fair value of Plan Assets as at beginning of the year	-	-	-	-
Actual return on Plan Assets	-	-	-	-
Contributions	-	-	108.71	-
Actuarial gain/ (loss) on obligations	-	-	-	-
Fair value of Plan Assets as at end of the year	-	-	108.71	-
Present value of Obligation at end of the year	-	-	119.00	-
Funded Status	-	-	(10.29)	-

(c) Amount Recognized in Balance Sheet (Amount in Lacs)

Particulars	Leave (Unfunded)		Gratuity	
	Current year	Previous Year	Current year (Funded)	Previous Year (Unfunded)
Estimated Present value of funded obligations as at the end of the year	-	-	119.00	-
Fair value of Plan Assets as at the end of the year	-	-	108.71	-
Funded / (unfunded) Status	(29.08)	(25.66)	(10.29)	(108.71)
Present value of unfunded obligation as at end of the year	29.08	25.66	-	108.71
Unfunded Actuarial (Gain) / Loss	-	-	-	-
Unfunded Net Asset / (Liability) recognised in Balance sheet	(29.08)	(25.66)	(10.29)	(108.71)



(d) Expenses Recognized in Statement of Profit & Loss (Amount in Lacs)

Particulars	Leave (Unfunded)		Gratuity	
	Current year	Previous Year	Current year (Funded)	Previous Year (Unfunded)
Current service cost	13.77	12.38	15.53	14.17
Past Service cost	-	-	-	-
Interest cost	1.77	1.39	8.37	6.64
Expected return on Plan Assets	-	-	-	-
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(5.01)	(3.15)	(5.53)	5.03
Total Expense recognised in statement of Profit & Loss	10.53	10.62	18.37	25.84

(e) Investment details of Fund: During the year, fund for the company has been got constituted and funds have been invested with banks to the tune of ₹ 108.71 lacs.

(f) Principal actuarial assumptions at the Balance Sheet Date (expressed as weighted average)

Particulars	Leave (Unfunded)		Gratuity	
	Current year	Previous Year	Current year (Funded)	Previous Year (Unfunded)
Discount Rate (per annum)	8.00%	7.90%	8.00%	7.90%
Rate of increase in compensation levels (per annum)	6.00%	6.00%	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)	25.75	25.97	25.75	25.97
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) (₹ in Lacs)

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	13.20	10.60	8.68	6.74	7.12	7.61
Liability as at the end of the year	11.15	13.20	8.59	8.68	6.81	7.12
Benefits paid	(7.10)	(5.01)	(5.23)	(3.37)	(7.12)	(7.61)
Amount debited to Statement of profit & loss	5.05	7.61	5.14	5.31	6.81	7.12

(h) During the year, the company has recognized an expense of ₹ 59.01 Lac (Previous Year ₹ 50.71 Lac) in respect of Contribution to Provident Fund and ₹ 4.48 Lac (Previous Year ₹ 4.85 Lac) in respect of Contribution to Superannuation Scheme.

C. 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" as prescribed under section 133 of the Companies Act, 2013 ('Act').

D. Related Party Disclosure:

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

I	Key Management Personnel	:	Mr. B. K. Choudhary (Managing Director)
		:	Mr. Vivek Gupta (Chief Financial Officer)
		:	Ms. Ruchita Vij (Company Secretary)
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

- b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) - 18 on "Related Party Disclosures" as prescribed under section 133 of the Companies Act, 2013 ('Act'). (₹ 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)	24,508.20	29,050.32	-	35.13	-	-	24508.20	29,085.45
2	Purchase of goods	42.77	2.38	-	-	-	-	42.77	2.38
3	Reimbursement of Common Corporate Expense (Exclu. Ser. Tax)	75.32	75.50	-	-	-	-	75.32	75.50
4	Interest Received from ICDs and current account balances	29.85	184.71	-	0.60	-	-	29.85	185.31
5	Contractual remuneration	-	-	-	-	96.51*	89.01*	96.51	89.01
6	Loan taken (including opening balance)	-	500.00	-	-	-	-	-	500.00
7	Loan repaid	-	500.00	-	-	-	-	-	500.00
8	Loan given (including opening balance)	-	24,073.00	-	-	-	-	-	24,073.00
9	Loan repaid	-	24,073.00	-	-	-	-	-	24,073.00
10	Rent paid (excluding service tax)	10.72	2.76	-	-	-	-	10.72	2.76

* As the liabilities for gratuity, leave encashment and sick leave are provided on an actuarial basis for the Company as a whole, the amount pertaining there to are not included in above.

- c) Material transactions with key management personnel (₹ in Lacs)

Key Management Personnel	B. K. Choudhary		Vivek Gupta		Ruchita Vij	
Year	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Remuneration	64.09	57.83	27.85	26.77	4.57	4.41

E. Operating lease: company as lessee

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, godown etc.). These leasing arrangements, which are non-cancellable, range between 11 months to 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Note-15.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2016	As at 31 March 2015
Within one year	11.37	6.44
Total	11.37	6.44

F. 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" as prescribed under section 133 of the Companies Act, 2013.

A statement on calculation of Basic/diluted EPS is as under:

Particulars	Current Year	Previous Year
Profit after tax and adjustments	2,982.86	3,342.11
Total (A)	2,982.86	3,342.11
Weighted average number of equity shares (No. in lac)	930.08	930.08
Total (B)	930.08	930.08
Earning per share : Basic / Diluted (A/B) ₹	3.21	3.59

- G. a) Deferred Tax Liability (Net) as on 31st March, 2016 is as follows:

Particulars	Current Year	Previous Year
Difference between book and tax depreciation	1,436.40	1,489.80
Less: Deferred Tax Assets arising on account of timing difference		
- Disallowed under section 43B of the Income Tax Act 1961	(31.46)	13.43
- Provision for doubtful debts	1.66	1.66
Net Deferred Tax Liability	1,466.20	1,474.71

- 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'.

- H. 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.



Vardhman

Vardhman Acrylics Limited

- I. The Company owes dues of ₹ 4.47 lacs towards Micro and Small Enterprises, which are outstanding for more than 45 days as at 31st March, 2016. 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.
- J. Disclosure required by Regulation 34 read with Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015:-
The Company has given inter corporate deposits aggregating to ₹ Nil (Previous Year ₹ 24,073.00 lacs) to M/s Vardhman Textiles Ltd. during the year. The maximum amount outstanding during the year was ₹ Nil (Previous Year ₹ 7,021.00 Lacs). The Balance outstanding as on 31.03.16 is ₹ Nil (Previous Year is ₹ Nil).
- K. Excise Duty amounting to ₹ 3,506.90 Lacs (Previous Year ₹ 4,272.47 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.
- L. 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.
- M. 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 detail of the outstanding forward contracts as at 31st March, 2016 is as under:

Particulars	Current Year		Previous Year	
	No. of Contracts	Amount in Foreign Currency (Lac)	No. of Contracts	Amount in Foreign Currency (Lac)
a) Category wise quantitative data				
Forward contracts against imports (USD)	21	54.20	22	124.71
Forward contracts against imports (EURO)	1	0.13	-	-

- N. In accordance with the provisions of section 135 of the Companies Act, 2013 the company has contributed ₹ 14.84 lacs towards approved CSR activities. The said amount stands debited to the "charity and donation" under head "Other Expenses".
- O. Additional information pursuant to the Part II of Schedule III to the Companies Act, 2013.

(₹ in Lacs)

Particulars	Current Year	Previous Year
(1) CIF Value of Imports		
Raw Materials	13,954.12	19,754.83
Stores & Spares	66.75	132.82
Acrylic Fibre	10,773.27	12,552.20
	24,794.14	32,439.85
(2) Expenditure in Foreign Currency		
Travelling	-	0.97
Subscription	8.02	7.36
	8.02	8.33

(3) Value of raw materials, components and spare parts consumed

	Current Year		Previous Year	
	(₹ in lacs)	%	(₹ in lacs)	%
I Raw Materials:				
Imported	15,995.13	90.79	23,082.78	91.44
Indigenous	1,622.74	9.21	2,161.55	8.56
Total	17,617.87	100.00	25,244.33	100.00
II Components and Spare Parts:				
Imported	79.35	22.36	110.27	25.44
Indigenous	275.59	77.64	323.24	74.56
Total	354.94	100.00	433.51	100.00

- P. Previous year's figures have been regrouped wherever necessary to conform with this year's classification.

As per our report of even date
For S.S. Kothari Mehta & Co.,
Chartered Accountants
Firm Registration No: 000756N

For and on behalf of the Board of Directors

KAMAL KISHORE
Partner
Membership. No. 078017

RUCHITA VIJ
Company Secretary

VIVEK GUPTA
Chief Financial Officer

B.K.CHOUDHARY
Managing Director
DIN: 00307110

S.P.OSWAL
Chairman
DIN: 00121737

Place: New Delhi
Dated: 30-04-2016

Place: Ludhiana
Dated: 30-04-2016

VARDHMAN ACRYLICS LIMITED

CIN: L51491PB1990PLC019212

Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana 141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040,

E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com**ATTENDANCE SLIP
E-VOTING PARTICULARS****26th ANNUAL GENERAL MEETING****2016**

I/We hereby record my/our presence at the 26th Annual General Meeting of Vardhman Acrylics Limited held at Vardhman Premises, Chandigarh Road, Ludhiana 141 010 on Monday, the 5th September, 2016 at 11.00 a.m.

Member's Folio/DP ID-Client ID No.

Member's /Proxy's name in Block Letters

Member's/Proxy's Signature

Note:

1. Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of meeting place.
2. Electronic copy of the Annual Report for 2015-16 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for 2015-16 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	USER ID / Folio No. / DP / Client ID	SEQUENCE NO.

NOTE: Please read instructions given at Point No. 17 of the Notice of 26th Annual General Meeting annexed in the Annual Report for 2015-16 of the Company, carefully before voting electronically.

VARDHMAN ACRYLICS LIMITED

CIN: L51491PB1990PLC019212

Registered Office: Vardhman Premises, Chandigarh Road, Ludhiana 141 010 (Punjab), India.

Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040,

E-mail: secretarial.lud@vardhman.com; Website: www.vardhman.com**PROXY FORM**

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

I/We being the holder(s) of.....shares of the above named Company hereby appoint :

1. Name : Address :
E-mail Id : Signature: or failing him;
2. Name : Address :
E-mail Id : Signature: or failing him;
3. Name : Address :
E-mail Id : Signature: or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Monday, the 5th September, 2016 at 11.00 am at Vardhman Premises, Chandigarh Road, Ludhiana 141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	
Ordinary Business	
1.	Adoption of the Company's Financial Accounts for the Financial Year ended 31 st March, 2016.
2.	Re-appointment of Mr. Sachit Jain as a Director of the Company who retires by rotation.
3.	Ratify the appointment of Statutory Auditors of the Company for the Financial Year 2016-2017.
Special Business	
4.	Ratify the remuneration of the Cost Auditors of the Company for the Financial Year ended 31 st March, 2017.
5.	Re-appointment of the B.K. Choudhary as Managing Director of the Company for further period of three years.
6.	Approval of members for entering into Related Party Transactions.

Signed this day of 2016.

Signature of shareholder Signature of Proxy holder(s)

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

Affix Revenue
Stamp not
less than
Rs. 0.15

