

**Vardhman  
Acrylics Limited**



**Vardhmān**

**34<sup>th</sup>**

Annual Report  
**2023-24**

# CORPORATE INFORMATION

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## Vardhman Acrylics Limited

### Board of Directors

**Mr. Shri Paul Oswal**

Chairman

**Mr. Bal Krishan Choudhary**

Vice-Chairman

**Mr. Sachit Jain**

Director

**Mrs. Suchita Jain**

Director

**Mr. Vivek Gupta**

Whole Time Director

**Mr. Anil Kumar**

Independent Director

**Mr. Bhooshan Lal Uppal**

Independent Director

**Ms. Parakh Oswal**

Independent Director

**Mr. Sanjeev Jain**

Independent Director

**Mr. Sandeep Kapur**

Independent Director

### Chief Financial Officer

**Mr. Raish Shaikh**

### Company Secretary

**Mr. Satin Katyal**

### Auditors

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

### Bankers

ICICI Bank Limited  
HDFC Bank Limited

### Registrar and Transfer Agent

M/s. MCS Share Transfer Agent Limited  
Mumbai

### Registered & Corporate Office

Vardhman Premises, Chandigarh Road,  
Ludhiana-141 010

Phones: (0161) 2228943-48

E-mail: [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)

Website: [www.vardhman.com](http://www.vardhman.com)

CIN: L51491PB1990PLC019212

### Business Office

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

### Works

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

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# NOTICE

NOTICE is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING** of Vardhman Acrylics Limited will be held on Thursday, the 19<sup>th</sup> day of September, 2024 at 3:00 p.m. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”), to transact the following business:-

## ORDINARY BUSINESS:

### Item No. 1: To adopt Financial Statements:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with Report of Board of Directors and Auditors thereon.

### Item No. 2: To declare Dividend:

To declare a dividend of ₹ 2/- per equity share for the year ended March 31, 2024.

### Item No. 3: To re-appoint Mr. Sachit Jain as a director liable to retire by rotation:

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.

### Item No. 4: To re-appoint Mr. Shri Paul Oswal as a director liable to retire by rotation:

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

## SPECIAL BUSINESS:

### Item No. 5: To ratify remuneration payable to Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2025:

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. R.A. Mehta, Cost Auditor, appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2025, be paid the remuneration of ₹ 50,000 plus applicable taxes.

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

### 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), 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 34<sup>th</sup> Annual General Meeting.

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

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

### Item No. 7: To approve annual remuneration payable to a single non-executive director in excess of the limit of 50% of the total annual remuneration payable to all non-executive directors:

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013 (“the Act”) and Rules thereunder and Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Bal Krishan Choudhary, Non-Executive Director designated as the Vice-Chairman of the Company, by way of commission for the Financial Year 2024-25 @ 2% of net profit of the Company as computed in the manner laid down in Section 197 and 198 of the Act and

other applicable statutory enactments, in excess of the limit of 50% of the total annual remuneration payable to all non-executive directors.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution.”

**Item No. 8: To approve continuation of directorship of Mr. Shri Paul Oswal as a Non-Executive Director of the Company:**

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

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

**Item No. 9: To approve continuation of directorship of Mr. Bhooshan Lal Uppal as a Non-Executive Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, approval of the Members of the Company be and is hereby given for continuation of the directorship of Mr. Bhooshan Lal Uppal (DIN:09626239) on his attaining the age of seventy five years i.e. 21<sup>st</sup> April, 2025, as per his existing terms of appointment, as a non-executive director of the Company.”

**BY ORDER OF THE BOARD**

**Place:** Ludhiana

**Date:** 24<sup>th</sup> July, 2024

Sd/-

**(Satin Katyal)**

Company Secretary

**NOTES:**

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its Circular dated September 25, 2023, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “**MCA Circulars**”), permitted convening the Annual General Meeting (“AGM”/ “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
  2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the agency to provide e-Voting facility.
  3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice (Refer Point 12). The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditor etc.
  4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Route Map and Attendance Slip are not annexed hereto.
  5. The Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
  6. The information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Director seeking appointment/ reappointment 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/ reappointment.
  7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 7<sup>th</sup> September, 2024 to 14<sup>th</sup> September, 2024 (both days inclusive).
  8. The relevant statutory registers/documents will be available electronically for inspection by the Members during the AGM. Further, the documents referred to in the Notice, if any, will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com).
- DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**
9. In compliance with the MCA Circulars and SEBI Circular dated October 7, 2023 read with circular dated January 5, 2023, May 13, 2022 , January 15, 2021 and May 12, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company’s website i.e. [www.vardhman.com](http://www.vardhman.com), website of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on website of Central Depository Services (India) Limited (e-Voting agency) at [www.evotingindia.com](http://www.evotingindia.com).
  10. For receiving all communications (including Annual Report) from the Company electronically:
    - a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com) or to RTA at [mparase@mcsregistrars.com](mailto:mparase@mcsregistrars.com)
    - b) Members holding shares in dematerialised mode are requested to register / update their email address with the relevant Depository Participant.

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

- (i) The Remote e-Voting period commences on 16<sup>th</sup> September, 2024 (9:00 a.m.) and ends on 18<sup>th</sup> September, 2024, 2024 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12<sup>th</sup> September, 2024, may cast their vote electronically. The Remote e-Voting module shall be disabled by CDSL for voting after end of voting period on 18<sup>th</sup> September, 2024.

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

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

**Option 1 – Login through Depositories**

NSDL	CDSL
<p><b>1. Members who have already registered for IDeAS facility to follow below steps:</b></p> <ul style="list-style-type: none"> <li>(i) Go to URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>(ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>(iii) A new page will open. Enter the existing User ID and Password. On successful authentication, click on “Access to e-Voting”.</li> <li>(iv) Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ul> <p><b>2. User not registered for IDeAS e-Services:</b></p> <ul style="list-style-type: none"> <li>(i) To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select option “Register Online for IDeAS” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>(ii) Proceed with completing the required fields.</li> </ul> <p><b>3. Users can directly access e-Voting module of NSDL and follow the below process:</b></p> <ul style="list-style-type: none"> <li>(i) Go to URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>(ii) Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>(iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>(iv) On successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>(v) Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ul>	<p><b>1. Members who have already registered for Easi / Easiest to follow below steps:</b></p> <ul style="list-style-type: none"> <li>(i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and then go to Login and select New System Myeasi.</li> <li>(ii) Login with user id and password.</li> <li>(iii) Click on e-Voting. The option will be made available to reach e-Voting page without any further authentication.</li> <li>(iv) Click on Company name or e-Voting service provider name to cast your vote during the remote e-Voting period.</li> </ul> <p><b>2. User not registered for Easi/Easiest:</b></p> <ul style="list-style-type: none"> <li>(i) Option to register is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>(ii) Click on login &amp; New System Myeasi Tab and then click on registration option.</li> </ul> <p><b>3. Users can directly access e-Voting module of CDSL and follow the below process:</b></p> <ul style="list-style-type: none"> <li>(i) Go to URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>(ii) Click on the icon “E-Voting”</li> <li>(iii) Provide Demat Account Number and PAN No.</li> <li>(iv) System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> <li>(v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress.</li> <li>(vi) Click on the Company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ul>

## Option 2 - Login through Depository Participant

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 21 09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

- (i) The Members should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-Voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

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

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.

(x) Click on the EVSN:240822034 for **<Vardhman Acrylics Limited>** on which you choose to vote.

- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Additional facility for Non-Individual Shareholders and Custodians – Remote e-Voting only:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

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

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



such shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to those shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you may write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 21 09911.

14. M/s. Khanna Ashwani & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner. The

Scrutinizer shall upon the conclusion of e-Voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

15. The Results of the resolutions passed at the AGM of the Company will be declared within 2 working days of the conclusion of AGM. The results declared along with the Scrutinizer's report shall be simultaneously placed on the Company's website [www.vardhman.com](http://www.vardhman.com) and on the website of CDSL and will be communicated to the Stock Exchange.
16. The Securities and Exchange Board of India has mandated that with effect from April 1, 2024, dividend to shareholders holding shares in physical form shall be paid only through electronic mode. Such payment shall be made only if the folio is KYC compliant i.e. the details of PAN, choice of nomination, contact details, mobile number, complete bank details and specimen signatures are registered.

In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature in respect of physical folios, dividend / interest etc. shall be paid upon furnishing all the aforesaid details in entirety.

Hence, the Members are requested to update their details with Company/MCS Share Transfer Agent Limited, immediately, to avoid any delay in receipt of dividend.

17. Dividend income is taxable in the hands of the Members and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961. In general, no tax will be deducted on payment of dividend to category of Members who are resident individuals (with valid PAN details updated in their folio/client ID records) and the total dividend amount payable to them does not exceed ₹ 5,000/-. Members not falling in the said category, can go through the detailed note with regard to applicability of tax rates for various other categories of Members and the documents that need to be submitted for nil or lower tax rate, which has been provided on the Company's website at [www.vardhman.com](http://www.vardhman.com).

**BY ORDER OF THE BOARD**

**Place:** Ludhiana  
**Date:** 24<sup>th</sup> July, 2024

Sd/-  
**(Satin Katyal)**  
Company Secretary

**ANNEXURE TO THE NOTICE:**

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

**(For Items No. 5 to 9)**

**ITEM NO. 5:**

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendations of Audit Committee, the Board of Directors in its meeting held on 4<sup>th</sup> May, 2024, re-appointed Mr. R.A. Mehta as Cost Auditor of the Company to conduct Cost Audit for Financial Year ending 31<sup>st</sup> March, 2025, at a remuneration of ₹ 50,000/- plus applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is solicited for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of payment of remuneration as stated above to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March, 2025. The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the Members. Accordingly, your approval is solicited.

**MEMORANDUM OF INTEREST:**

None of the Directors/ Key Managerial Personnel of the Company/their relatives are concerned or interested financially or otherwise, in the Ordinary Resolution set out at Item No. 5.

**ITEM NO. 6:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members in their 33<sup>rd</sup> AGM held on 30<sup>th</sup> September, 2023 had given their approval for entering into Related Party Transactions for the Financial Year 2024-25.

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

Transactions are to be considered as material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1000 crores or ten percent of the Annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. The material nature of related party transactions being entered by the Company mandates it to seek Members approval for such transactions for the Financial Year 2025-26.

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

Accordingly, your approval is solicited for the proposed transactions with VTXL in FY 2025-26, as detailed under, which majorly includes sale of Acrylic Fibre:

<b>Name of the Related Party</b>	Vardhman Textiles Limited (VTXL)
<b>Relationship with the Company</b>	Holding Company
<b>Particulars of Contract or Arrangements and Material Terms/ Indicative Base Price</b>	Sale of Acrylic Fiber(Traded/Manufactured)- At Market Prices Purchase/ sale of MEIS licenses/RoDTEP Scrip - At Market Prices Purchase/ sale of fixed assets - At Market Prices Rent Paid - At Market Prices Payment towards sharing of corporate services – At Cost Reimbursement of expenses (paid/ received) - on Actual basis
<b>Value of Proposed Transactions</b>	Upto ₹ 150 crore or 35% of the turnover of the Company whichever is higher

<b>Percentage of the Company's turnover considering FY 2023-24 as the immediate previous FY</b>	31% approx.
<b>Justification for the proposed transactions</b>	As given above in the explanatory statement
<b>Details of Transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary</b>	Not Applicable
<b>Valuation or other external Report, if any, relied upon by the Company</b>	As the transactions have been entered into on an arm's length basis, as explained above, valuation or other external report is not required.

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

#### **MEMORANDUM OF INTEREST:**

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

#### **ITEM NO. 7:**

The Board of Directors of the Company in its meeting held on 30<sup>th</sup> March, 2024 had appointed Mr. Bal Krishan Choudhary (DIN: 00307110), a Non-Executive Non-Independent Director, designated as Vice-Chairman of the Company with effect from 1<sup>st</sup> April, 2024. On the basis of the recommendation of the Nomination and Remuneration Committee, the Board had approved to pay him remuneration by way of commission equal to 2% of the Net Profits of the Company. His appointment and remuneration was approved by the Members of the Company through Postal Ballot on 18<sup>th</sup> May, 2024.

As per Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) 2015, approval of Members by special resolution is required to be obtained every year, in case the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors. The proposed payment of remuneration by way of commission to Mr. Bal Krishan Choudhary, Non-Executive Director, shall exceed the limit of fifty per cent of the total annual remuneration payable to all Non-Executive Directors. In light of above, the said payment of Commission requires approval of Members by way of Special Resolution. Accordingly, your approval is solicited. The Board of Directors recommends the Special Resolution as set out at Item No. 7 of the Notice for approval by the Members.

#### **Memorandum of Interest:**

Except Mr. Bal Krishan Choudhary, being interested Director, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

#### **ITEM NO. 8:**

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

Now, pursuant to these provisions, for continuation of directorship of Mr. Shri Paul Oswal who is aged about 82 years and proposed to be re-appointed in this AGM as a director liable to retire by rotation, a Special Resolution is required to be approved by the Members of the Company.

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

#### **MEMORANDUM OF INTEREST:**

Except Mr. Shri Paul Oswal, being appointee, Mr. Sachit Jain & Mrs. Suchita Jain, being appointee's relatives, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 8.

#### **ITEM NO. 9:**

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

Now, pursuant to these provisions, for continuation of directorship of Mr. Bhooshan Lal Uppal who is going to attain

the age of 75 years on 21<sup>st</sup> April, 2025, a Special Resolution is required to be approved by the Members of the Company.

Mr. Bhooshan Lal Uppal is a Bachelor of Technology (Chemical Engineering) from Indian Institute of Technology (IIT), Delhi and has also done Post Graduate Diploma in Business Management from All India Management Association (AIMA), New Delhi. He is having a rich experience of more than 45 years in the Chemical Industry. Now, considering his vast and

rich experience, the Board of Directors recommends this Special Resolution for approval by the Members. Accordingly, your approval is solicited.

**Memorandum of Interest:**

Except Mr. Bhooshan Lal Uppal, none of the Directors/ Key Managerial Personnel of the Company/ their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9.

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

<b>Name of the Director</b>	<b>Mr. Sachit Jain</b>	<b>Mr. Shri Paul Oswal</b>	<b>Mr. Bhooshan Lal Uppal</b>
<b>Date of Birth</b>	08.07.1966	08.04.1942	21.04.1950
<b>Age (in years)</b>	58	82	74
<b>Date of First Appointment</b>	30.12.1995	24.12.1990	19.07.2022
<b>Number of Meetings of the Board attended during the FY 2023-24</b>	1	4	5
<b>Expertise in specific functional area</b>	Business Executive having experience of more than 33 years in Textile and Steel Industry.	Rich Business experience of more than 50 years in Textile Industry.	Rich experience of more than 45 years in Chemical Industry
<b>Qualification</b>	B.Tech, MBA	M.Com (Gold Medalist)	B.Tech - Chemical and Post Graduate Diploma in Business Management (PGDBM).
<b>Directorships in Other Listed Companies as on 31<sup>st</sup> March, 2024.</b>	1. Vardhman Textiles Limited 2. Vardhman Holdings Limited 3. Vardhman Special Steels Limited	1. Vardhman Textiles Limited 2. Vardhman Holdings Limited	-

Name of the Director	Mr. Sachit Jain	Mr. Shri Paul Oswal	Mr. Bhooshan Lal Uppal
<b>Chairman/Member of Committees of Other Listed Companies as on 31<sup>st</sup> March, 2024.</b>	<p><b>Stakeholders' Relationship Committee:</b> Vardhman Textiles Limited – Member Vardhman Holdings Limited – Member</p> <p><b>Nomination and Remuneration Committee:</b> Vardhman Holdings Limited – Member</p> <p><b>Risk Management Committee:</b> Vardhman Holdings Limited – Chairman</p> <p><b>Share Transfer Committee:</b> Vardhman Holdings Limited – Member Vardhman Special Steels Limited – Chairman Vardhman Textile Limited – Member</p> <p><b>Corporate Social Responsibility Committee:</b> Vardhman Textiles Limited – Member Vardhman Special Steels Limited – Member</p>	<p><b>Nomination and Remuneration Committee:</b> Vardhman Textiles Limited – Member</p> <p><b>Share Transfer Committee:</b> Vardhman Textiles Limited – Chairman Vardhman Holdings Limited – Chairman</p>	-
<b>Listed entity from which the Director resigned in the past 3 years</b>	-	-	-
<b>Skills and capabilities required by Independent Directors for the role and manner in which such requirements are met.</b>	NA	NA	NA
<b>No. of shares held (including as a beneficial owner)</b>	10	10	Nil
<b>Relationship with other Director(s)/ KMP</b>	Mr. Sachit Jain is son-in-law of Mr. Shri Paul Oswal and Spouse of Mrs. Suchita Jain.	Mr. Shri Paul Oswal is father of Mrs. Suchita Jain and father-in-law of Mr. Sachit Jain.	Not related to any Director/ KMP

Statutory Reports

Financial Statements

# Directors' Report

Dear Members,

The Directors of your Company have pleasure in presenting their 34<sup>th</sup> Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2024.

## 1. FINANCIAL RESULTS:

The financial performance of your Company for the year ended 31<sup>st</sup> March, 2024 is as under:

	(₹ in Lakhs)	
<b>PARTICULARS</b>	<b>2023-24</b>	<b>2022-23</b>
Revenue from operations (Net)	29,747.87	42,666.45
Other Income	1,402.72	1,279.36
Profit before Depreciation, Interest & Tax (PBDIT)	2,726.73	4,887.81
Interest and Financial expenses	28.67	29.42
Profit before Depreciation and Tax (PBDT)	2,698.06	4,858.39
Depreciation	563.00	548.58
Profit before Tax (PBT)	2,135.06	4,309.81
Provision for Tax - Current	406.37	1,084.01
- Deferred Tax (Net of Adjustment)	(24.87)	(59.99)
- Total tax expenses	381.50	1,024.02
Profit after tax (PAT)	1,753.56	3,285.79
Other Comprehensive Income	17.78	17.71
Total Comprehensive Income for the period	1,771.34	3,303.50
Earnings per share (₹)		
- Basic	2.18	4.09
- Diluted	2.18	4.09

## 2. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

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

### A. ACRYLIC FIBER INDUSTRY - GLOBAL AND INDIAN PERSPECTIVE:

Global consumption of acrylic fiber is estimated to have dropped by about 10% in CY 2023 over the previous year. Russia - Ukraine conflict and Israel - Hamas conflict are leading to uncertainty as well as disturbance in supply-chain and prices of commodities causing volatility.

Europe continues to suffer from economic slowdown. Inflation in Europe is coming down but remains above tolerance level of European central

bank. Interest rates in Europe and USA are still higher than comfortable level and central banks do not seem to be getting an opportunity to reduce them. Over purchase of woolens in 2022 in Europe due to concern about disturbance in availability of natural gas for heating has dampened demand of woolens in 2023 which has in-turn led to drop in consumption of acrylic fiber. Over capacity due to lower sale has led to dumping of acrylic fiber especially by producers in Asia.

Consumption of acrylic fiber in India dropped by over 5% in FY 2023-24. Consumption is however, within the consumption band of last few years. Trend of acrylic fiber consumption in India has been better than rest of the world because of better domestic economic conditions than many of the developed countries. However, large export of acrylic fiber at low prices to India has resulted in squeeze in margins of Indian acrylic fiber producers.

Main factors affected performance of your company in FY 2023-24 were large exports of acrylic fiber to India at low prices resulting in drop in margins of the Company to compete with imports as well as loss of volume of sales. Lower volume of sales resulted in lower capacity utilisation and, therefore, higher costs. Higher cost acrylonitrile remained in stock longer due to drop in production adversely affected manufacturing costs.

Acrylonitrile, the major raw material for manufacture of acrylic fiber is a derivative of crude oil. Crude oil prices during the year have been very volatile mainly due to geopolitical reasons. As a result, the prices of acrylonitrile have also been fluctuating during the year. The difference between highest and lowest rate of acrylonitrile has been over 40% during the year. Availability of acrylonitrile has improved due to regular capacity additions in China over last few years and more capacity additions are planned to go on stream in next year. This is helping keeping a check on acrylonitrile prices and is favorable for growth of acrylic fiber demand.

## B. FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

### ● PRODUCTION & SALES REVIEW:

Your Company has achieved a turnover of ₹ 29,747.87 lakhs against a turnover of ₹ 42,666.45 lakhs in the previous year. After providing for depreciation of ₹ 563.00 lakhs (previous year ₹ 548.58 lakhs) and provision for current tax of ₹ 406.37 lakhs (previous year ₹ 1,084.01 lakhs), deferred tax of ₹ (24.87) lakhs (previous year ₹ (59.99) lakhs), Profit after Tax after considering Other Comprehensive Income of the Company is ₹ 1,771.34 lakhs as against ₹ 3,303.51 lakhs in the previous year.

### RESOURCE UTILIZATION:

#### (a) Fixed Assets:

The gross fixed assets (including work in-progress) as at March 31, 2024 were ₹ 8,748.37 lakhs as compared to ₹ 8,600.45 lakhs in the previous year.

#### (b) Current Assets:

The current assets as on March 31, 2024 were ₹ 18,073.16 lakhs as against ₹ 19,895.83 lakhs in the previous year. Inventory level was at ₹ 7,495.39 lakhs as against ₹ 8,328.31 lakhs in the previous year.

## FINANCIAL CONDITIONS & LIQUIDITY:

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

PARTICULARS	₹ in Lakhs	
	2023-24	2022-23
<b>Cash &amp; cash equivalents:</b>		
Beginning of the year	65.69	146.55
End of the year	79.12	65.69
<b>Net cash provided/ (used) by:</b>		
Operating Activities	760.44	3,852.67
Investing Activities	1,203.25	(3,673.26)
Financial Activities	(1,950.26)	(260.28)

## C. BUSINESS OUTLOOK

Moderating inflation, sustained GDP growth and forecast of above normal monsoon are likely to support acrylic fiber consumption in the country. However, export of acrylic fiber from India is likely to remain a challenge due to expectation of subdued demand in Europe and increasing surplus capacity of acrylic fiber globally.

One acrylic fiber manufacturing plant each in Japan and Germany closed down during the year due to economic reasons and a producer in Turkey increased its capacity. Further capacity additions are expected in China in current and next year. Global acrylic fiber demand is not expected to increase and therefore, rationalization of more acrylic fiber capacity specially in Asia is quite likely. Large volumes of exports at low price continue to be made to India and this will continue to put pressure on margins of Indian acrylic fiber manufactures.

## D. MAJOR RISK AND AREA OF CONCERN

Increasing geopolitical issues, crude oil production cut by OPEC + Block, stagflation and high interest rates in US and Europe are some of the major concern areas globally. However, there are signs of global energy prices remaining range bound at slightly softer level but will still remain a concern as India imports a large volume of crude oil for its domestic consumption. Continued exports of low priced acrylic fiber to India are also a major concern alongwith climate change which may result in warmer and shorter winter affecting acrylic fiber consumption globally.

**E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has adopted a strong and well-designed Internal Audit to review all systems, processes and controls of the Company. The Company reviews its Systems and Processes periodically to assess their robustness and sufficiency in view of business requirements, best industry practices, corporate governance, statutory compliances, controls and audit purpose. This is supplemented by Self Audits and Internal Audit to identify areas that might need further review and attention of Senior Management. Recommendations of Internal and Statutory Auditors are viewed as an opportunity to look at our system from an independent view. Senior management of your company is committed to make the operations system driven so as to minimise chances of deviations and taking timely corrective actions.

**F. INTERNAL FINANCIAL CONTROL:**

Your Company is committed to ensure not only compliances to all statutory requirements but also have requisite internal control aligned with best and

**H. SUMMARY OF KEY FINANCIAL RATIOS**

<b>PARTICULARS</b>	<b>2023-24</b>	<b>2022-23</b>	<b>% Change</b>
Debtors Turnover Ratio (Days) <sup>1</sup>	18.2	10	82
Inventory Turnover (Days) <sup>2</sup>	97.1	68.50	42
Current Ratio (Times)	2.33	2.23	4
Debt Equity Ratio (Times) <sup>3</sup>	0.005	0.001	400
Interest Coverage Ratio (Times) <sup>4</sup>	82.43	147.47	-44
EBIDTA Margin (%)	9.17	11.46	-20
Net Profit Margin (%)	5.89	7.70	-24
Return on Net Worth (%) <sup>4</sup>	7.22	13.39	-46

1. The increase is mainly on account of higher sales on irrevocable LCs in the current financial year.

2. The increase is mainly on account of lower revenue from operations & fluctuating market conditions in the current financial year.

3. The increase is mainly on account of increase in short term borrowings.

4. The decrease is mainly on account of lower earnings in the current financial year.

**3. DIVIDEND:**

The Board of Directors in its meeting held on 4<sup>th</sup> May, 2024 has recommended dividend of ₹ 2/- per share on the fully paid-up Equity Shares of the Company.

**4. INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with IEPF Authority

sound industry practices. Compliance to statutory requirements is monitored on monthly basis. The monitoring system and software are regularly updated to keep them in sync with current statutory provisions. External consultants of repute are also engaged towards this end. No reportable material weakness in the design or operation was observed during the year.

**G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:**

Your company is committed to development of its human resource by providing the team members opportunities to learn, contribute and grow. Well-structured programmes are adopted to provide learning and development opportunities to team members. Innovation and out-of-box thinking are encouraged and promoted through organisational support. Deep involvement and participation of team members as cohesive teams for trouble shooting and identifying opportunities for improvement are promoted. During the year there was industrial peace and harmony in the company. The Company employed on average 326 persons on the rolls of the company.

(Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government after the completion of seven years from the date of transfer to the Unpaid Dividend Account of the Company. The unclaimed or unpaid dividend relating to the Financial Year 2016-17 is due for remittance in the month of November, 2024 to the Investor Education and Protection Fund established by the Central Government.



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

The details of these shares are also provided on the website of the Company at [www.vardhman.com](http://www.vardhman.com).

## 5. CONSOLIDATED FINANCIAL STATEMENT:

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

## 6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

## 7. DIRECTORS:

**Liable to retire by rotation:** In accordance with the provisions of the Articles of Association of the Company, Mr. Shri Paul Oswal and Mr. Sachit Jain, Directors of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The Board recommended their appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

**Cessation from Directorship:** During the year, under review:

- Mrs. Apinder Sodhi ceased to be Director of the Company w.e.f. 1<sup>st</sup> November, 2023 on completion of her second term of appointment.
- Mr. Bal Krishan Choudhary ceased to be the Managing Director of the Company from the close of business hours on 31<sup>st</sup> March, 2024.

**Appointment of Directors:** During the year under review:

- Mr. Sandeep Kapur was appointed as an Additional Director (Independent) on the Board of the Company for a term of consecutive five (5) years w.e.f. 1<sup>st</sup> August, 2023. His appointment as an Independent

Director was further approved by the Members of the Company in their Annual General Meeting held on 30<sup>th</sup> September, 2023;

- Mr. Sanjeev Jain was appointed as an Additional Director (Independent) on the Board of the Company for a term of consecutive five (5) years w.e.f. 1<sup>st</sup> November, 2023. His appointment as an Independent Director was further approved by the Members of the Company vide their resolution dated 24<sup>th</sup> December, 2023 passed through Postal Ballot.
- Mr. Vivek Gupta was appointed as Whole Time Director of the Company for a term of five (5) years w.e.f. 1<sup>st</sup> November, 2023. His appointment was further approved by the Members of the Company vide their resolution passed through Postal Ballot on 24<sup>th</sup> December, 2023.

**Declaration by Independent Directors:**

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

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

**Familiarization Programmes for Board Members:**

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

The Familiarization Programme for Board members may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Familisation\\_program\\_for\\_Board\\_Members.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Familisation_program_for_Board_Members.pdf)

**Annual Evaluation of the Board Performance:**

The Meeting of Independent Directors of the Company for the Financial Year 2023-24 was held on 23<sup>rd</sup> March, 2024 to evaluate the performance of the Non-Independent Directors, Chairman of the Company and the Board as a whole.

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

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

**8. NOMINATION AND REMUNERATION POLICY:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Policy of the Company has been duly approved and adopted by the Board pursuant to recommendations of Nomination and Remuneration Committee of the Company and may be accessed on the website of the Company at the link [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Nomination\\_and\\_Remuneration\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Nomination_and_Remuneration_Policy.pdf). As mandated by proviso to Section 178(4) of the Companies Act, 2013, salient features of Nomination and Remuneration Policy are as under:

- a) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
- b) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.
- c) Recommending to the Board, policy relating to remuneration of Directors (Whole time Directors, Executive Directors etc.), Key Managerial Personnel and other employees while ensuring the following:
  - i. That the level and composition of remuneration is reasonable and sufficient to attract, retain

and motivate directors of the quality required to run the company successfully.

- ii. That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the Company and its goals.
- d) Formulating the criteria for evaluating performance of Board and all the Directors.
- e) Devising a policy on diversification of Board.
- f) Determining whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
- g) Recommending to the Board remuneration payable to Senior Management.

**9. KEY MANAGERIAL PERSONNEL (KMP):**

In compliance with the provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31<sup>st</sup> March, 2024:

Sr. no	Name	Designation
1.	Bal Krishan Choudhary	Managing Director
2.	Vivek Gupta*	Whole Time Director
3.	Raish Shaikh**	Chief Financial Officer
4.	Satin Katyal	Company Secretary

\* During the year, Mr. Vivek Gupta was elevated as Whole Time Director of the Company with effect from 1<sup>st</sup> November, 2023 pursuant to approval of Members resolution passed through Postal Ballot on 24<sup>th</sup> December, 2023.

\*\*Mr. Raish Shaikh was appointed by the Board of Directors of the Company as Chief Financial Officer of the Company with effect from 1<sup>st</sup> November, 2023.

**10. NUMBER OF BOARD MEETINGS:**

During the year under review, the Board met five (5) times and the intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013. The details of Board Meeting are set out in

Corporate Governance Report which forms part of this Annual Report.

## 11. AUDITORS AND AUDITORS' REPORT:

### Statutory Auditors:

At the 32<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2022, M/s. SCV & CO. LLP. (Formerly S.C. Vasudeva & Co.), Chartered Accountants (Firm Registration no. 000235N/N500089) were re-appointed as Statutory Auditors of the Company for a second term of five (5) consecutive years starting from the conclusion of 32<sup>nd</sup> Annual General Meeting till the conclusion of 37<sup>th</sup> Annual General Meeting.

Further, the Statutory Auditors of the Company have submitted Auditors' Report on the accounts of the Company for the accounting year ended 31<sup>st</sup> March, 2024.

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

### Secretarial Auditor:

M/s Ashok K. Singla & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 28<sup>th</sup> April, 2023 for the Financial Year 2023-24.

The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section 204 of the Companies Act, 2013 for the Financial Year ended 31<sup>st</sup> March, 2024. This Report is self-explanatory and requires no comments. The Report forms part of Directors' Report as **Annexure I**.

### Cost Auditor:

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

The Board of Directors has appointed Mr. R.A. Mehta, Practising Cost Accountant, as the Cost Auditor of the Company to conduct Cost Audit of the Accounts for the financial year 2024-25. However, as per provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditor is subject to ratification by Members at the Annual General Meeting. Accordingly, the remuneration to be paid to Mr. R.A. Mehta, Practising Cost Accountant, for financial year 2024-25 is placed for ratification by the Members.

## 12. AUDIT COMMITTEE:

### Composition of Audit Committee:

The Audit Committee consists of three Independent directors i.e. Mr. Anil Kumar, Ms. Parakh Oswal and Mr. Sanjeev Jain, Independent Directors. Mr. Anil Kumar is the Chairman of the Committee and Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

## 13. VIGIL MECHANISM & SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

### Vigil Mechanism:

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

The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

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

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

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

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

## 14. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance. Corporate Governance is about maximizing

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

### 15. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

**CSR Policy:** The Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link:

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate_Social_Responsibility_Policy.pdf)

During the year, the Company has spent ₹ 110.02 lakhs on CSR activities. Out of this, an amount of ₹ 82.20 lakhs pertains to FY 2023-24.

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

### 16. RISK MANAGEMENT:

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

reporting, which in the opinion of the Board may threaten the existence of the Company.

The Risk Management Policy may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Risk\\_Management\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Risk_Management_Policy.pdf)

### 17. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR):

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, BRSR is available on the Company's website at the link:

[https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Acrylics%20Ltd/BRSR\\_2023-24.pdf](https://www.vardhman.com/Document/Report/Compliances/BRR/Vardhman%20Acrylics%20Ltd/BRSR_2023-24.pdf)

### 18. INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY:

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

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

### 19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

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

The Policy on dealing with related party transactions as approved by the Board may be accessed on the

Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Related\\_Party\\_Transactions\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Related_Party_Transactions_Policy.pdf)

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

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

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

Energy conservation continues to be an area of major emphasis in our Company. Efforts are made to optimize the energy cost while carrying out the manufacturing operations. Particulars with respect to conservation of energy and other areas as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are annexed hereto and forms part of this report as **Annexure IV**.

## 22. ANNUAL RETURN:

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

## 23. HUMAN RESOURCES /INDUSTRIAL RELATIONS:

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

During the year, the Company employed around 326 employees on permanent rolls.

## 24. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The disclosures in respect of managerial remuneration as required under Section 197(12) read with Rule 5(1) of the

Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, are annexed hereto and forms part of this report.

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

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

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

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

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

## 26. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a. In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- b. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2024 and of the profit of the Company for the year ended on 31<sup>st</sup> March, 2024;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the

Company and for preventing and detecting fraud and other irregularities;

- d. The annual accounts have been prepared on a going concern basis;
- e. The Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## **27. GENERAL DISCLOSURES:**

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

- 1. Details relating to deposits covered under Chapter V of the Act.
- 2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 4. Change in nature of Business of the Company.

- 5. No fraud has been reported by the Auditors to the Audit Committee or the Board.
- 6. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- 7. There was no instance of one time settlement with any Bank or Financial Institution.

## **28. ACKNOWLEDGEMENT:**

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

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

**FOR AND ON BEHALF OF THE BOARD**

**Place:** Ludhiana  
**Dated:** 4<sup>th</sup> May, 2024

Sd/-  
**(S.P. Oswal)**  
Chairman

# INDEX OF ANNEXURES

(Forming Part of Board Report)

Annexure No.	Particulars
I	Secretarial Audit Report in form no. MR-3 for FY 2023-24.
II	CSR Activities - Annual Report FY 2023-24
III	Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in Form AOC - 2.
IV	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
V	Particulars of employees and related disclosures

Statutory Reports

Financial Statements

# ANNEXURE-I

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2024

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

To,  
The Members,  
**Vardhman Acrylics Limited,**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

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



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

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

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

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

#### We further report that

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

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

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

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

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

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

Sd/-  
**Ashok Singla**  
Proprietor

Membership No. 2004

Date: 4<sup>th</sup> May, 2024

Certificate of Practice No. 1942

Place: Ludhiana

UDIN: F002004 F000 336 129

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

#### List of Labour Laws

The Factories Act, 1948  
The Industrial Disputes Act, 1947  
The Payment of Wages Act, 1936  
The Minimum Wages Act, 1948  
The Employee's State Insurance Act, 1948  
The Payment of Bonus Act, 1972  
The Contract Labour (Regulation and Abolition) Act, 1970  
The Apprentices Act, 1961

#### List of Environmental Laws

The Environmental (Protection) Act, 1986  
The Public Liability Insurance Act, 1991  
The Water (Prevention and Control of Pollution) Act, 1974  
The Air (Prevention and Control of Pollution) Act, 1981  
The Hazardous Wastes (Management, Handling and Transboundary Movements) Rules, 2008

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

**Date:** 4<sup>th</sup> May, 2024  
**Place:** Ludhiana

Membership No. 2004  
Certificate of Practice No. 1942  
UDIN: F002004 F000 336 129

## ANNEXURE-II

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

**1. Brief outline on CSR Policy of the Company.**

Broad contours of CSR Policy of the Company are:-

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

**2. Composition of CSR Committee:**

Sr. no	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sachit Jain	Chairman, Non- Independent, Non- Executive Director	2	0
2.	Ms. Parakh Oswal	Member, Independent, Non- Executive Director	2	2
3.	Mr. Bal Krishan Choudhary	Member, Non-Independent, Executive Director	2	2

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

Link of Composition:- [https://www.vardhman.com/Document/Report/Company%20Information/Board/Vardhman%20Acrylics%20Ltd/List\\_of\\_Committees\\_of\\_Directors.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Board/Vardhman%20Acrylics%20Ltd/List_of_Committees_of_Directors.pdf)

Link of Policy:-

[https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate\\_Social\\_Responsibility\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate_Social_Responsibility_Policy.pdf)

Link of CSR Projects:- [https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Acrylics%20Ltd/CSR\\_Project\\_2024-25.pdf](https://www.vardhman.com/Document/Report/Compliances/Miscellaneous/Vardhman%20Acrylics%20Ltd/CSR_Project_2024-25.pdf)

**4. Provide the Executive Summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

NA

5. (a) Average net profit of the Company as per sub-section (5) of Section 135 : ₹ 3,505.67 lakhs
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 70.11 lakhs
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: ₹ 6.94 lakhs
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 63.17 lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 82.20 lakhs
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 82.20 lakhs

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2023-24	₹ 82.20 lakhs	Nil	-	-	-

(f) Excess amount for set off, if any

Sr. no	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 70.11 lakhs
(ii)	Total amount spent for the Financial Year	₹ 82.20 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 12.09 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 12.09 lakhs*

\* excluding amount of ₹ 6.94 lakhs, pertaining to previous financial year, required to be set off in the succeeding financial years.

**7. Details of Unspent CSR amount for the preceding three financial years:**

Sr. no	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	2022-23	Nil	-	Nil	-	-	-	-
2.	2021-22	Nil	-	Nil	-	-	-	-

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:**

Yes  No

If Yes, enter the number of Capital assets created/acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sr. no	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner	
					CSR Registration Number, if Applicable	Name Registered address
NA						

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

Sd/-  
**Vivek Gupta**  
(Whole Time Director)

Sd/-  
**Sachit Jain**  
(Chairman CSR Committee)

# ANNEXURE-III

## FORM NO. - AOC - 2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

### A. Details of Contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2024, which were not at arm's length basis.

### B. Details of Material Contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Vardhman Textiles Limited (Holding Company)	Sale of Goods Purchase of Goods Purchase of MEIS/ RODTEP license Reimbursement of Common Corporate Expenses Reimbursement of expenses paid Reimbursement of expenses received	April 2023 - March 2024	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arms length basis.  The value of transactions are as given in Note No. 38 to the Financial Statements.	N.A	Nil

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

**Place:** Ludhiana  
**Date:** 4<sup>th</sup> May, 2024

Sd/-  
**S.P. Oswal**  
Chairman

## ANNEXURE-IV

**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, 2024.****A. CONSERVATION OF ENERGY:**

- i. Steps taken for conservation of energy:
- Modification of process heat exchangers for higher efficiency.
  - Replacement of old Nitrogen generator with new efficient generator.
  - Replacement of a part of all conventional luminaries with LEDs.
  - Replacement of a part of all old ceiling fans with high efficiency BLDC ceiling fans.
  - ESP refurbishing
- ii. Steps taken by the Company for utilizing alternate sources of energy:
- Efforts are continuing to identify viable opportunities of using solar energy.
- iii. Expenses incurred on energy conservation equipment:
- The Company has incurred ₹ 41.05 Lakhs on different energy and utility saving projects.

**B. TECHNOLOGY ABSORPTION**

- i. Efforts made towards technology absorption, adoption and innovation:
- Engaged a reputed academic and research institution for study of our process for bringing in improvements in our process and efficiencies.
  - Process parameters optimisation done resulting in improved product properties and better process stability.
  - Standard operating procedures developed and put in practice for better and timely decision making at shop floor for better process control and overall quality improvement.

- Development of new process consumables for improved quality of process chemicals leading to improvement in quality, process stability and enhanced life of some process equipment.
- ii. Benefits derived as a result of the above efforts:
- Better Product quality.
  - Higher process reliability and stability.
  - Reduction in manual process interventions at filtration stage improving process control and equipment life.
- iii. In case of imported technology, (imported during the last 3 years reckoned from the beginning of the financial 'year), following information may be furnished: Not applicable
- Technology imported – NIL.
  - Year of import – NA.
  - Has technology been fully absorbed – NA.
  - If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action – NA.
- iv. Expenditure on R&D:

Particulars	(₹ in Lakhs)	
	2023-24	2022-23
Non -Recurring	4.00	-
Percentage of turnover	0.01%	-

**C. FOREIGN EXCHANGE EARNING AND OUTGO:-**

Particulars	(₹ in Lakhs)	
	2023-24	2022-23
Foreign Exchange earned (FOB)	1.57	-
Foreign Exchange used (on accrual basis)	14,811.56	28,690.69

## ANNEXURE-V

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:

Sr. no	Name of Director/ KMP & Designation	Remuneration of Director/KMP for Financial Year 2023-24 (₹ In Lakhs)	% increase / decrease in Remuneration in the Financial Year 2023-24	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1.	Shri Paul Oswal Chairman and Non-Executive Director	-	-	-
2.	Bal Krishan Choudhary Managing Director	108.00	-18.18	22.5
3.	Sachit Jain Non-Executive Non - Independent Director	-	-	-
4.	Suchita Jain Non-Executive Non - Independent Director	-	-	-
5.	Anil Kumar <sup>^</sup> Non-Executive Independent Director	3.50	-	0.73
6.	Bhooshan Lal Uppal <sup>^</sup> Non-Executive Independent Director	3.20	-	0.67
7.	Parakh Oswal <sup>^</sup> Non-Executive Independent Director	4.70	-	0.98
8.	Apinder Sodhi <sup>*</sup> Non-Executive Independent Director	2.70	-	0.56
9.	Sanjeev Jain <sup>**</sup> Non-Executive Independent Director	1.70	-	0.35
10.	Sandeep Kapur <sup>**</sup> Non-Executive Independent Director	1.50	-	0.31
11.	Vivek Gupta <sup>***</sup> Whole Time Director	53.63	-	11.17
12.	Raish Shaikh <sup>#</sup> Chief Financial Officer	6.02	-	1.25
13.	Satin Katyal Company Secretary	7.51	15.89	1.56

<sup>^</sup>Mr. Anil Kumar, Mr. Bhooshan Lal Uppal and Ms. Parakh Oswal were appointed as Independent Directors of the Company w.e.f. 19<sup>th</sup> July, 2022.

<sup>\*</sup>Mrs. Apinder Sodhi ceased to be a Director of the Company w.e.f. 1<sup>st</sup> November, 2023 on completion of her second term of appointment.

<sup>\*\*</sup>Mr. Sandeep Kapur and Mr. Sanjeev Jain were appointed as Independent Directors of the Company w.e.f. 1<sup>st</sup> August, 2023 and 1<sup>st</sup> November, 2023 respectively.

<sup>\*\*\*</sup>Mr. Vivek Gupta ceased to be Chief Financial Officer (CFO) of the Company w.e.f. 1<sup>st</sup> November, 2023 and was appointed as a Whole Time Director of the Company w.e.f. 1<sup>st</sup> November, 2023. As such, the total remuneration includes an amount ₹ 24.50 lakhs paid as a CFO of the Company.

<sup>#</sup>Mr. Raish Shaikh was appointed as Chief Financial Officer of the Company w.e.f. 1<sup>st</sup> November, 2023.

2. The median remuneration of employees of the Company during the Financial Year was ₹ 4.80 lakhs (previous year ₹ 4.24 lakhs)
3. In the Financial Year, there was an increase of 13.38% in the median remuneration of employees.
4. There were 326 permanent employees on the rolls of Company as on March 31, 2024.
5. Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2023-24 was 12.49% whereas decrease in managerial remuneration for the same financial year was 1.76%.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

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

Sr. no	Name of Director	Name of Holding Company	Amount (₹ In lakhs)
1.	Bal Krishan Choudhary	Vardhman Textiles Limited	94.52

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

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

Sr. no	Name of Employee	Designation/ Nature of Duties	Remuneration (₹ in lakhs)	Qualification	Age (Years)	Experience (Years)	Date of Employment	Particulars of Last Employment
1.	Bal Krishan Choudhary	Managing Director	108.00	B.Sc, M.Com, M.B.A	72	51	30.12.1995	Usha Alloys & Steels Limited

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

**Sr. No. Name, Age, Designation, Gross Remuneration (in ₹ lakhs p.a.), Nature of Employment, qualifications, Experience (in years), Date of Joining, Previous Employment and % of Equity Shares held as on 31<sup>st</sup> March, 2024.**

1). Bal Krishan Choudhary, 72, Managing Director, 108.00, Regular, B.Sc, M.Com, MBA, 51, 30-12-1995, Usha Alloys & Steels Limited, Nil. 2). Ranbir Singh Yadav, 68, Chief General Manager, 75.46, Regular, B.Tech - Textiles, 44, 01- 08-2021, Vardhman Textiles Limited, Nil 3). Vivek Gupta, 57, Whole time Director, 53.63, Regular, Bachelor of Engineering Honours, MBA, 30, 07-11-2007, Xpro India Limited, Nil. 4.) Basudev Brijkishor Sharma, 53, Vice-President, 26.09, Regular, B.Tech Chemical,

30, 01-10-2008, Jubilant Organosys Limited, Nil. 5. Gautamkumar Kasturbh, 42, Senior Manager, 21.78, Regular, B.E. - Textiles, 18, 10-05-2013, M/s. Alexandria Fiber Co., Egypt, Nil. 6). Mrinal Kanti Siddhanta, 55, Assistant Vice-President, 21.90, Regular, B.E. -Textile, 29, 10/06/2004, Consolidated Fibres & Chemicals Ltd., Nil. 7). Umesh Chauhan, 39, Senior Manager, 21.70, Regular, M.COM, Post-Graduation Diploma in Human Resource Management,16,17-09-2022, M/s.Tega Industries Ltd, Nil. 8). Devendra Bhupatsinh Mangrola, 45, Senior Manager, 21.52, Regular, DIE, 21, 10-09-2007, Videocon Industries Limited, Nil. 9). Jayesh Shantilal Gohil, 51, Assistant Vice-President, 20.41, Regular, Bachelor of Engineering-Mechanical, 27, 25-10-2010, Isagro Asia Agrochemicals Private Limited, Nil. 10.). Alpesh Hasmukhbhai Patel, 49, Chief Manager, 20.03, Regular, Diploma in Mechanical Engineering, Boiler Operation Engineer, 29, 23-09-2013, Thermax Limited, Nil.

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



# Corporate Governance Report

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

## 1. VARDHMAN GROUP'S PHILOSOPHY:

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

## 2. BOARD OF DIRECTORS/ BOARD MEETINGS:

### i. Composition as on 31<sup>st</sup> March, 2024:

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

Category	Name of Directors
Promoter Directors	# Shri Paul Oswal - Chairman # Sachit Jain - Non- Executive & Non- Independent Director # Suchita Jain - Non- Executive & Non- Independent Director
Executive Non-Independent Director	Bal Krishan Choudhary - Managing Director Vivek Gupta - Whole Time Director
Independent Directors	Bhooshan Lal Uppal Anil Kumar Parakh Oswal Sanjeev Jain Sandeep Kapur

### Relationship Inter-se:

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

### ii. Board Meetings:

During the Financial Year 2023-24, the Board met 5 times on the following dates:

- 28<sup>th</sup> April, 2023
- 1<sup>st</sup> August, 2023
- 26<sup>th</sup> October, 2023
- 20<sup>th</sup> January, 2024
- 30<sup>th</sup> March, 2024

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

Name of Director	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorships in other Companies	Names of other Listed Entities where the person is director	Category of Directorship in other listed entities	No. of Committee memberships in other Companies	Total no. of Board Chairmanship in other Companies	Total no. of Committee Chairmanship in other companies																																																																																											
Shri Paul Oswal	4	No	5	Vardhman Textiles Limited	Executive Director	3	2	3																																																																																											
				Vardhman Holdings Limited	Executive Director				Suchita Jain	3	No	7	Vardhman Textiles Limited	Executive Director	6	-	1	Vardhman Special Steels Limited	Non-Executive Director	Vardhman Holdings Limited	Non-Executive Director	Bal Krishan Choudhary	5	Yes	1	-	-	-	-	-	Sachit Jain	1	No	8	Vardhman Textiles Limited	Non -Executive Director	2	-	-	Vardhman Holdings Limited	Non -Executive Director	Vardhman Special Steels Limited	Executive Director	Anil Kumar	5	Yes	1	-	-	-	-	-	Bhooshan Lal Uppal	5	No	-	-	-	-	-	-	Parakh Oswal	5	No	-	-	-	-	-	-	Sandeep Kapur*	3	No	5	Sportking India Limited	Independent Non-Executive Director	5	-	2	Sanjeev Jain*	2	No	-	-	-	-	-	-	Vivek Gupta**	2	No	-	-	-	-	-	-	Apinder Sodhi***	3
Suchita Jain	3	No	7	Vardhman Textiles Limited	Executive Director	6	-	1																																																																																											
				Vardhman Special Steels Limited	Non-Executive Director																																																																																														
				Vardhman Holdings Limited	Non-Executive Director																																																																																														
Bal Krishan Choudhary	5	Yes	1	-	-	-	-	-																																																																																											
Sachit Jain	1	No	8	Vardhman Textiles Limited	Non -Executive Director	2	-	-																																																																																											
				Vardhman Holdings Limited	Non -Executive Director																																																																																														
				Vardhman Special Steels Limited	Executive Director																																																																																														
Anil Kumar	5	Yes	1	-	-	-	-	-																																																																																											
Bhooshan Lal Uppal	5	No	-	-	-	-	-	-																																																																																											
Parakh Oswal	5	No	-	-	-	-	-	-																																																																																											
Sandeep Kapur*	3	No	5	Sportking India Limited	Independent Non-Executive Director	5	-	2																																																																																											
Sanjeev Jain*	2	No	-	-	-	-	-	-																																																																																											
Vivek Gupta**	2	No	-	-	-	-	-	-																																																																																											
Apinder Sodhi***	3	Yes	-	-	-	-	-	-																																																																																											

\* During the year, Mr. Sandeep Kapur and Mr. Sanjeev Jain were appointed as Independent Directors of the Company w.e.f. 1<sup>st</sup> August, 2023 and 1<sup>st</sup> November, 2023 respectively.

\*\*During the year, Mr. Vivek Gupta was appointed as a Whole Time Director of the Company w.e.f. 1<sup>st</sup> November, 2023.

\*\*\*During the year, Mrs. Apinder Sodhi ceased to be a Director of the Company w.e.f. 1<sup>st</sup> November, 2023 on completion of her second term of appointment.

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

### 3. BOARD COMMITTEES:

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

NAME OF COMMITTEE	COMPOSITION	TERMS OF REFERENCE
Audit Committee	Anil Kumar (Chairman) Parakh Oswal Sanjeev Jain	<ul style="list-style-type: none"> <li>The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> </ul>
Nomination and Remuneration Committee	Bhooshan Lal Uppal (Chairman) Shri Paul Oswal Parakh Oswal	<ul style="list-style-type: none"> <li>The role of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> <li>Formulated and recommended Nomination and Remuneration Policy.</li> <li>The Nomination &amp; Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a Director and other matters as provided under Section 178(3) of the Companies Act, 2013.</li> </ul>
Corporate Social Responsibility Committee	Sachit Jain (Chairman) Bal Krishan Choudhary Parakh Oswal	<ul style="list-style-type: none"> <li>Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to the provisions of Schedule VII of the Companies Act, 2013 read with CSR Rules, 2014. The CSR policy may be accessed on the Company's website at the link:  <a href="https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate_Social_Responsibility_Policy.pdf">https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Corporate_Social_Responsibility_Policy.pdf</a></li> <li>Recommends expenditure to be incurred for CSR activities/ project and ensures effective monitoring of CSR policy of the Company from time to time.</li> <li>The Annual Report on CSR activities undertaken by the Company forms part of the Board Report as <b>Annexure II</b>.</li> </ul>
Stakeholders' Relationship Committee	Sanjeev Jain (Chairman) Parakh Oswal Bal Krishan Choudhary	<ul style="list-style-type: none"> <li>The Committee reviews and ensures redressal of investor grievances.</li> <li>During the year, the Company has not received any complaint from any shareholder. As such, there is no complaint pending to be resolved.</li> </ul>

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

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

Board Committees	Audit	CSR	Nomination & Remuneration	Stakeholders Relationship
<b>Meetings held</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>1</b>
Shri Paul Oswal	N.A.	N.A.	3	N.A.
Sachit Jain	N.A.	0	N.A.	N.A.
Suchita Jain	N.A.	N.A.	N.A.	N.A.
Bal Krishan Choudhary	N.A.	2	N.A.	1
Bhooshan Lal Uppal	N.A.	N.A.	3	N.A.
Anil Kumar	4	N.A.	N.A.	N.A.
Parakh Oswal	4	2	1	1
Sanjeev Jain*	1	N.A.	N.A.	1
Sandeep Kapur*	N.A.	N.A.	N.A.	N.A.
Vivek Gupta**	N.A.	N.A.	N.A.	N.A.
Apinder Sodhi***	3	N.A.	2	N.A.

\* During the year, Mr. Sandeep Kapur and Mr. Sanjeev Jain were appointed as Independent Directors of the Company w.e.f. 1<sup>st</sup> August, 2023 and 1<sup>st</sup> November, 2023 respectively.

\*\*During the year, Mr. Vivek Gupta was appointed as a Whole Time Director of the Company w.e.f. 1<sup>st</sup> November, 2023.

\*\*\*During the year, Mrs. Apinder Sodhi ceased to be a Director of the Company w.e.f. 1<sup>st</sup> November, 2023 on completion of her second term of appointment.

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

iii. Meeting of Independent Directors:

A meeting of Independent Directors of the Company for the Financial Year 2023-24 was held on 23<sup>rd</sup> March, 2024 to evaluate the performance of Non-Independent Directors of the Company, Chairman of the Company and the Board as a whole.

Performance Evaluation

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

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

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

Familiarization programme for Independent Directors

The details of the Familiarisation Programme conducted for the Independent Directors of the Company are available on the Company’s website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Familisation\\_program\\_for\\_Board\\_Members.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Familisation_program_for_Board_Members.pdf)

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

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

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

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

Name of Director	Area of Expertise
Sachit Jain	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Suchita Jain	Strategic Planning Leadership Industry Experience Financial Expertise Administrative Experience
Bal Krishan Choudhary	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Vivek Gupta	Strategic Planning Leadership Operational Experience Industry Experience Financial Expertise Administrative Experience
Anil Kumar	Strategic Planning Leadership Financial Expertise Administrative Experience
Bhooshan Lal Uppal	Strategic Planning Leadership Operational Experience Industry Experience Administrative Experience
Parakh Oswal	Strategic Planning Leadership Administrative Experience
Sandeep Kapur	Strategic Planning Leadership Administrative Experience
Sanjeev Jain	Strategic Planning Leadership Administrative Experience Financial Expertise

#### 4. DIRECTORS' REMUNERATION:

##### i) Managing Director:

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

A detail of remuneration paid to the Managing Director during the Year 2023-24 is as given below:

	(₹ in Lakhs)
<b>Name</b>	Bal Krishan Choudhary
<b>Designation</b>	Managing Director
<b>Salary</b>	88.32
<b>Perquisites &amp; Allowances</b>	4.30
<b>Retirement Benefit</b>	-
<b>Commission</b>	15.38
<b>Performance Linked Incentive and criteria thereof</b>	

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

##### ii) Non-Executive Directors:

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

The Non-Executive Directors are paid sitting fees @ ₹ 40,000/- per Board Meeting and @ ₹ 30,000/- per Committee Meeting. The detail of sitting fees paid to the Non-Executive Directors during the Financial Year 2023-24 is given hereunder:

S. NO.	NAME OF DIRECTOR	SITTING FEE (₹)
1.	Parakh Oswal	4,70,000
2.	Anil Kumar	3,50,000
3.	Bhooshan Lal Uppal	3,20,000
4.	Sanjeev Jain*	1,70,000
5.	Sandeep Kapur*	1,50,000
6.	Apinder Sodhi**	2,70,000

\*During the year, Mr. Sandeep Kapur and Mr. Sanjeev Jain were appointed as Independent Directors of the Company w.e.f. 1<sup>st</sup> August, 2023 and 1<sup>st</sup> November, 2023 respectively.

\*\*During the year, Mrs. Apinder Sodhi ceased to be a Director of the Company w.e.f. 1<sup>st</sup> November, 2023 on completion of her second term of appointment.

## 5. PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY AS ON 31<sup>ST</sup> MARCH, 2024:

The particulars of Senior Management of the Company is given as follows:-

NAME OF THE SENIOR MANAGEMENT PERSONNEL	DESIGNATION
Mr. Ranbir Singh Yadav	Chief General Manager - Operations
Mr. Raish Shaikh	Chief Financial Officer
Mr. Satin Katyal	Company Secretary and Compliance Officer

During the year, Mr. Vivek Gupta, Chief Financial Officer of the Company, had been elevated to the position of Whole

time Director of the Company w.e.f.1<sup>st</sup> November, 2023 and Mr. Raish Shaikh was appointed as Chief Financial Officer of the Company in his place w.e.f. 1<sup>st</sup> November, 2023.

## 6. SHAREHOLDING DETAIL OF DIRECTORS AS ON 31.03.2024:

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

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

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

## 7. GENERAL BODY MEETINGS:

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

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
33 <sup>rd</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2023.	Saturday, 30 <sup>th</sup> September, 2023 at 03:00 p.m.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	1
32 <sup>nd</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2022.	Friday, 30 <sup>th</sup> September, 2022 at 03:00 p.m.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	4
31 <sup>st</sup> Annual General Meeting for financial year ended 31 <sup>st</sup> March, 2021.	Tuesday, 28 <sup>th</sup> September, 2021 at 04:30 p.m.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	-

(ii) Postal Ballot:

During the year, the Members approved following two matters by passing Special/ Ordinary Resolution through Postal Ballot:

- To appoint Mr. Sanjeev Jain as an Independent Director of the Company.
- To appoint Mr. Vivek Gupta as a Whole Time Director of the Company.

The Board had appointed M/s Khanna Ashwani & Associates, Practicing Company Secretaries as Scrutinizer to conduct the Postal Ballot Process, by voting through electronic means, in a fair and transparent manner. The details of the voting pattern is as follows:-

Resolution passed through postal ballot	Nature of Resolution	Votes in favour of the resolution			Votes against the resolution			Invalid votes	
		Number of members voted	Number of valid Votes cast (Shares)	Percentage of total number of valid votes cast	Number of members voted	Number of valid votes cast (Shares)	Percentage of total number of valid votes cast	Total number of members whose votes were declared invalid	Total number of invalid votes cast (Shares)
To appoint Mr. Sanjeev Jain as an Independent Director of the Company	Special Resolution	134	6,02,95,343	99.999	6	552	0.001	-	-
To appoint Mr. Vivek Gupta as a Whole Time Director of the Company	Ordinary Resolution	134	6,02,95,178	99.999	6	702	0.001	-	-

**Procedure for postal ballot:** The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs.

Further, the following resolution is proposed to be passed through Postal Ballot in the FY 2024-25:

- To appoint Mr. Bal Krishan Choudhary as a Non-Executive Non-Independent Director designated as the Vice-Chairman of the Company.

## 8. DISCLOSURES:

- There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Related\\_Party\\_Transactions\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Related_Party_Transactions_Policy.pdf)
- There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any other Statutory Authority, on any matter related to Capital Markets, during the last three years.
- The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for

reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at the link: [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Vigil\\_Mechanism\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Vigil_Mechanism_Policy.pdf)

- The Company has complied with all the applicable requirements specified in Regulation 17 to 27 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct, as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- During the year, no complaint was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Risk Management Policy as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been duly formulated and approved by the Board of Directors of the Company. The aim of Risk Management Policy is to maximize opportunities in all activities and to minimize adversity.
- Further, the Company has complied with all mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company may also take-up the non-mandatory

requirements of the Listing Regulations in due course of time.

- ix. The Company has no material subsidiary. The Policy for determining 'material' subsidiary is available at Company's website at the link [https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Material\\_Subsiary\\_Policy.pdf](https://www.vardhman.com/Document/Report/Company%20Information/Policies/Vardhman%20Acrylics%20Ltd/Material_Subsiary_Policy.pdf)
- x. As on March 31, 2024, there was no outstanding GDRs/ ADRs/ Warrants or any convertible instruments.
- xi. During the year 2023-24, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports. The details of foreign currency exposure are disclosed in the Note No. 42 to the Financial Statements.
- xii. During the year, the Company has not raised any funds through preferential allotment or qualified institutional placement.
- xiii. A certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority, forms part of this report.
- xiv. There is no such instance where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required.
- xv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ Company of which statutory auditor is part is ₹ 5.90 lakhs.
- xvi. The Company has not given any loans and advances to firms/companies in which directors are interested.
- xvii. Pursuant to Clause 5A of para A of Part A of Schedule III, there is no agreement which impacts management or control of the Company or imposes any restriction or creates any liability upon the Company.

## 9. MEANS OF COMMUNICATION:

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

### GENERAL INFORMATION FOR SHAREHOLDERS

#### i) 34<sup>th</sup> Annual General Meeting:

Date : 19<sup>th</sup> September, 2024

Time : 3:00 p.m.

Venue : Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

#### ii) Financial Calendar 2024-25 (Tentative)

First Quarter Results : July, 2024

Second Quarter Results : October, 2024

Third Quarter Results : January, 2025

Annual Results : May, 2025

#### iii) Dates of Book Closure: 7<sup>th</sup> September, 2024 to 14<sup>th</sup> September, 2024 (both days inclusive)

#### iv) Dividend payment date: Within 30 days after declaration

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

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

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

#### vi) Stock Code:

- National Stock Exchange of India Limited : VARDHACRLC

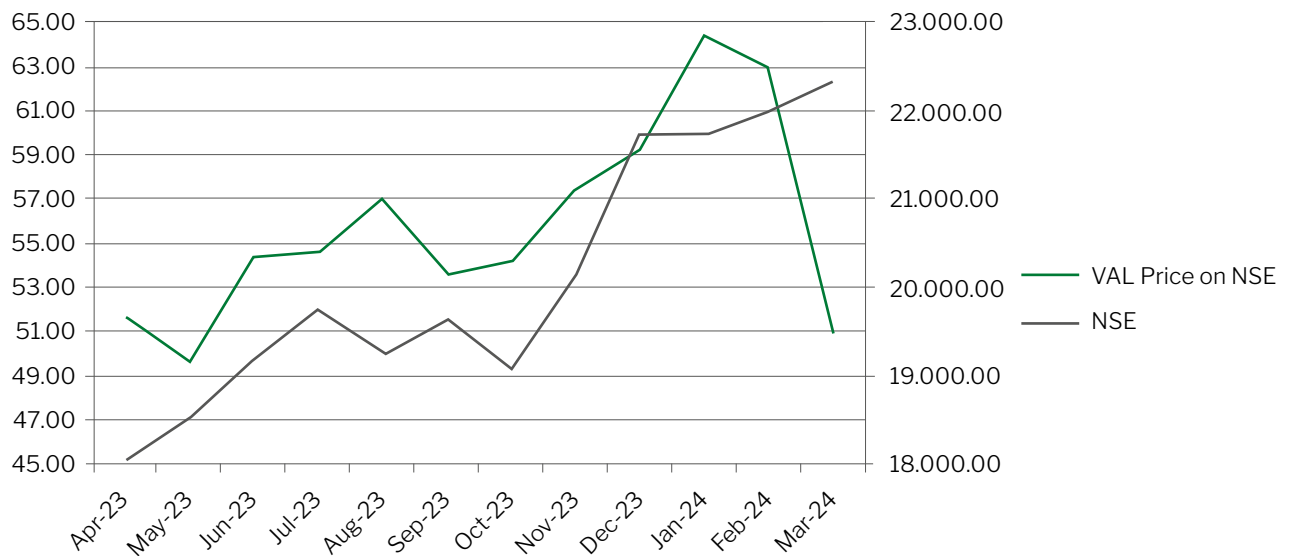


## vii) Stock Market Data:

The month-wise highest and lowest and closing stock prices of NSE during the Financial Year 2023-24 are given below:

Financial Year 2023-24	Share prices of the Company on NSE			
	Highest (₹)	Lowest (₹)	Closing (₹)	% change over last month's closing
April'23	54.30	44.05	51.65	18.74
May'23	52	48	49.65	-3.87
June'23	58.80	49.10	54.50	9.57
July'23	58.25	52.20	54.65	0.46
August'23	57.95	50.50	57.05	4.39
September'23	59.65	52.40	53.65	-5.96
October'23	61.90	51.00	54.30	1.21
November'23	60.95	53.30	57.35	5.62
December'23	68.10	55.40	59.35	3.49
January'24	74.90	58.65	64.40	8.51
February'24	74.00	61.70	63.00	-2.17
March'24	65.00	50.00	51.00	-19.05

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



## ix) Information regarding dividend payment:

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

Dividends remaining unpaid/unclaimed upto the Financial Year 2015-16 have been transferred to the Investors' Education and Protection Fund (IEPF). The unclaimed or unpaid dividend relating to the Financial Year 2016-17 is due for remittance in the month of November, 2024 to IEPF.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of IEPF Authority. In accordance with the said

IEPF Rules, the Company had sent notices to all the Members whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement. Thereafter, the shares of these Members were transferred to the IEPF and necessary e-form(s) in this regard were filed with MCA.

The Members whose dividend/ shares are transferred to the IEPF Authority can claim their shares/ dividend from the Authority by following the required procedure. Members are requested to get in touch with the Nodal Officer/ Compliance Officer for further details on the subject at [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com).

ix) **Registrar & Transfer Agent:**

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

**M/s. MCS Share Transfer Agent Limited**

CIN: U67120WB2011PLC165872  
 Office No.3B3, 3<sup>rd</sup> Floor “B” Wing  
 Gundecha Onclave Premises Co-op Society Ltd,  
 Kherani Road, Sakinaka, Andheri East Mumbai – 400 072  
 Ph: 022 – 28516021 / 28516022 / 46049717  
 E- mail : [mparase@mcsregistrars.com](mailto:mparase@mcsregistrars.com)  
 Website : [www.mcsregistrars.com](http://www.mcsregistrars.com)

x) **Share Transfer System:**

The Members may note that SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. 1<sup>st</sup> April, 2019. Further, in terms of Regulation 39 and 40(1) of SEBI Listing Regulations, as amended from time to time, and SEBI vide its Circular dated 25<sup>th</sup> January, 2022 has made it mandatory for the listed entities to issue shares/ securities, within the prescribed time, in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/splitting/ consolidation of securities, transmission/ transposition of securities etc. Accordingly, shareholders are advised to open their demat account with any Depository Participants (DPs) having registration with SEBI.

The Company has delegated the power of approval of transfer, transmission, transposition, dematerialization and other related matters to M/s. MCS Share Transfer Agent Limited, the Registrar and Share Transfer Agent of the Company. Further, transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company.

xi) **Distribution of Shareholding as on 31<sup>st</sup> March, 2024:**

RANGE No. of Shares	SHAREHOLDERS		SHARES	
	Numbers of Total Holders	% to Total Holders	Numbers of shares Held	% to Total Shares
Upto-500	24036	82.33	30,66,509	3.82
501-1000	2663	8.95	22,86,769	2.84
1001-2000	1245	4.19	19,97,012	2.48
2001-3000	411	1.38	10,73,789	1.34
3001-4000	202	0.68	7,37,102	0.92
4001-5000	229	0.77	11,07,274	1.37
5001-10000	279	0.94	21,50,520	2.68
10001 and Above	227	0.76	6,79,44,771	84.55
<b>TOTAL</b>	<b>29292</b>	<b>100</b>	<b>8,03,63,746</b>	<b>100</b>

## xii) Dematerialisation of shares:

On 31<sup>st</sup> March, 2024, 99.99% of the capital comprising 8,03,62,336 shares, out of total of 8,03,63,746 shares, was dematerialized.

## xiii) Plant Location:

755, GIDC, MEGA ESTATE,  
Jhagadia - 393 110,  
Distt. Bharuch, Gujarat.

## xiv) Address for correspondence:

Registered office : Vardhman Premises, Chandigarh  
Road, Ludhiana-141010

Tel : 0161-2228943-48

E-mail : [secretarial.lud@vardhman.com](mailto:secretarial.lud@vardhman.com)  
(Exclusively for redressal of  
investors' grievances)

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

## xv) List of credit ratings:

The Company has obtained rating from CRISIL Limited during the financial year 2023-24. There has been no revision in the credit ratings during the financial year 2023-24. List of all credit ratings obtained by the Company during the year are as follows:

Particulars	Rating during FY 2023-24
Long Term Bank Facilities	CRISIL AA/ Stable (Reaffirmed)
Short Term Bank Facilities	CRISIL A1+ (Reaffirmed)

## CHAIRMAN'S DECLARATION

- A. I, S.P. Oswal, Chairman of Vardhman Acrylics Limited, declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31<sup>st</sup> March, 2024.

**Place:** Ludhiana  
**Dated:** 4<sup>th</sup> May, 2024

Sd/-  
**S.P. Oswal**  
Chairman

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

**Place:** Ludhiana  
**Dated:** 4<sup>th</sup> May, 2024

Sd/-  
**S.P. Oswal**  
Chairman

## CERTIFICATE FROM PRACTISING COMPANY SECRETARIES

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

Sr. no	Director Identification Number	Name of Director
1.	00121737	Mr. Shri Paul Oswal
2.	00746409	Mr. Sachit Jain
3.	00746471	Mrs. Suchita Jain
4.	00307110	Mr. Bal Krishan Choudhary
5.	10366909	Mr. Vivek Gupta
6.	00009928	Mr. Anil Kumar
7.	09626239	Mr. Bhooshan Lal Uppal
8.	08312705	Ms. Parakh Oswal
9.	01242929	Mr. Sanjeev Jain
10.	07016726	Mr. Sandeep Kapur

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

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

Sd/-

**Ashok Singla**

Proprietor

Membership No. 2004

Certificate of Practice No. 1942

UDIN: F002004 F000 307 364

**Date:** 4<sup>th</sup> May, 2024

**Place:** Ludhiana

# CORPORATE GOVERNANCE CERTIFICATE

The Members of  
**Vardhman Acrylics Limited**

We have examined relevant records of **Vardhman Acrylics Limited** (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedure and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended 31<sup>st</sup> March, 2024 as stipulated in the Listing Regulations.

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

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

Sd/-

**Ashok Singla**

Proprietor

Membership No. 2004

Certificate of Practice No. 1942

UDIN: F002004 F000 307 463

**Date:** 4<sup>th</sup> May, 2024

**Place:** Ludhiana



# Financial Statements

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# Independent Auditors' Report

To the Members of  
**Vardhman Acrylics Limited**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Vardhman Acrylics Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

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

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Uncertain income-tax positions – Refer to Notes 2.2 (f), 2.5 (vii), 35 to the financial statement</b></p> <p>The Company has material uncertain income-tax positions including matters under dispute relating to Income Taxes. These matters involve significant management judgement to determine the possible outcome of these disputes.</p>	<p><b>Principal audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of and performed testing of design, implementation and operating effectiveness of the control established by the Company with regard to uncertain income tax positions.</li> <li>We obtained details of complete income tax matters from the Company's internal tax experts during the year ended 31<sup>st</sup> March, 2024.</li> <li>We involved our internal direct tax experts to challenge the management's underlying assumptions in estimating the tax provisions and possible outcome of the disputes. Our internal direct tax experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions relating to Income Taxes.</li> <li>Assessed the adequacy of the disclosures made in the financial statements.</li> </ul>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Business Responsibility Report, Directors' Report including annexures, if any, thereon, and Corporate Governance Report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as

a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material



uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of sub section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. (A) As required by Section 143(3) of the Act, based on our audit, we report, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those book except for the matters stated in paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - (c) The Balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a Director in terms of Section 164(2) of the Act;
  - (f) The reservations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)

- (b) above on reporting under Section 143(3) (b) of the Act and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (a) The company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 35 to the financial statement.
- (b) The company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- (e) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (f) Based on our examination which included test checks, the company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares except below:
- (i) The audit trail facility has not been enabled at the database level to log any direct data changes made in the software 'NOW' which is used for maintaining quantitative records of inventories.
- (ii) The audit trail facility in the software 'NOW' has been designed in such a way that it is not possible to verify whether such facility had been disabled at any point in time during the year.

Further, except as mentioned above, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

- (C) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as

amended. In our opinion and to the best of our information and according to the explanations given to us, the company has paid/ provided for managerial remuneration to its director during the year in accordance with the provisions of section 197 of the Act.

Place: Ludhiana  
Date: 04<sup>th</sup> May, 2024

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

**(Sanjiv Mohan)**  
Partner  
M. No. 086066  
UDIN:24086066BKDGAR9384

# Annexure – “A” to the Independent Auditors’ Report

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

(i) In respect of Company’s Property, Plant and Equipment and Intangible Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of use Assets.
- (b) The Company has adopted a policy of physical verification of all the items of property, plant and equipment so to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) The company has not owned immovable property, however where company is a lessee, the lease agreement has been duly executed in the name of the company.
- (d) The Company has not owned Intangible Assets.
- (e) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (f) Based on the information and explanations given to us, No proceedings have been initiated during the year or are pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us, physical verification has been conducted by management at reasonable intervals in respect of finished goods, stores and spares and raw material, Further, stock in the possession and custody of third parties and stock in transit as at 31<sup>st</sup> March, 2024 has been verified by the management with reference to confirmation and statement of accounts or correspondence with the third party

or subsequent receipt of goods. In our opinion, the frequency of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventory have been noticed on physical verification of inventories when compared with books of account.

(b) The Company has been sanctioned unsecured (No security provided) working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year from banks. Therefore reporting under clause 3(ii) (b) of the Order is not applicable to the company.

(iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in mutual funds during the year. Further, the Company has granted loans, unsecured to employees during the year, in respect of which the requisite information is given in paragraph 3(iii)(a) below.

(a) The Company has provided loans to employees and details of which are given below:

Particulars	Amount (₹ in lakhs)
Aggregate amount of loans granted during the year to Employees:	0.72
Balance outstanding as at balance sheet date with Employees	4.34

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans to employees during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.

(c) In respect of loans granted to employees, the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation. There are no interest-bearing loans given by the company.

(d) According to information and explanations given to us and based on the audit procedures performed, in

respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year covered under the provisions of sections 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under and therefore

reporting under clause 3(v) of the order is not applicable to the company.

- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income tax, Service tax, Duty of Custom, Duty of excise, Value Added Tax, Cess, sales tax and other applicable statutory dues with the appropriate authorities.

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

- (b) Details of statutory dues referred to in sub clause (a) above which have not been deposited as on 31<sup>st</sup> March 2024 on account of disputes are given below:

Sr. no	Nature of Statute	Nature of Dues	Unpaid (₹ in lakhs)	Financial year to which the dispute relates	Forum at which dispute is pending
1)	The Punjab VAT Act, 2005	VAT and CST	7.85	2016-17	VAT Tribunal, Punjab
2)	The Finance Act, 1994	Service tax	31.87	2005-06 To 2009-10 and 2016-17 to 2017-18	Assistant Commissioner/ Superintendent
3)	The Income Tax Act, 1961	Income Tax	84.35	2014-15 to 2018-19 and 2020-21 and 2022-23	ITAT & CIT(A)

- (viii) According to the information and explanations given to us and records of the company examined by us, there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and records of the company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender. Therefore, reporting under clause 3(ix)(a) of the Order is not applicable to the company.

- (b) According to the information and explanations given to us and on the basis of our audit procedure, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year. Therefore, reporting under clause 3(ix)(c) of the Order is not applicable to the company.
- (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the Company. Therefore, reporting under clause 3(ix)(e) of the Order is not applicable to the company.
- (f) According to the information and explanations given to us, there is no subsidiary, associate or joint venture of the Company. Therefore, reporting under clause 3(ix)(f) of the Order is not applicable to the company.
- (x) (a) In our opinion and according to the information and explanations given to us and records of the company examined by us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, reporting under clause 3(x)(a) of the Order is not applicable to the company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible). Therefore, reporting under clause 3(x)(b) of the Order is not applicable to the company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company has not received whistle blower complaints during the year. Therefore, reporting under clause 3(xi)(c) of the Order is not applicable to the company.
- (xii) According to the information and explanation given to us, the company is not a Nidhi Company. Therefore reporting under clause 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with its directors or persons connected with him. Therefore, reporting under clause 3(xv) of the order is not applicable to the company.
- (xvi) (a) According to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause 3(xvi) (a) of the Order is not applicable to the company.
- (b) Based on information and explanation given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934; and therefore, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) Based on information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, and therefore reporting under clause 3(xvi)(c) of the Order is not applicable.

- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and therefore reporting under clause 3(xvi)(d) of the Order is not applicable to the company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than on-going projects: On the basis of examination of records of the company and in absence of unspent amount, the Company is not required to transfer the unspent amount to a fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to subsection (5) of section 135 of the said Act.
- (b) In respect of on-going projects: The Company has not undertaken any ongoing project for the Corporate Social Responsibility activities during the year. Therefore, requirement of transferring of amount remaining unspent in compliance with the provisions of sub-section (6) of section 135 of Companies Act is not applicable to the company.
- (xxi) The consolidated financial statements are not applicable to the company. Accordingly reporting under clause 3(xxii) of the Order is not applicable.

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

**(Sanjiv Mohan)**  
Partner

Place: Ludhiana  
Date: 04<sup>th</sup> May, 2024

M. No. 086066  
UDIN:24086066BKDGAR9384

# Annexure – “B” to the Independent Auditors Report

(Referred to in paragraph 2(A)(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Vardhman Acrylics Limited of even date)

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

We have audited the internal financial control over financial reporting of Vardhman Acrylics Limited (“the Company”) as of 31<sup>st</sup> March, 2024 in conjunction with our audit of financial statements of company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditors’ Responsibility

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

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

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

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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding (3) prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these financial statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting

with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31<sup>st</sup> March, 2024 based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(Sanjiv Mohan)**  
Partner

Place: Ludhiana  
Date: 04<sup>th</sup> May, 2024

M. No. 086066  
UDIN:24086066BKDGAR9384

# Balance Sheet

as at 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3a	4,462.68	4,343.35
(b) Right of Use Asset	3b	1,112.18	1,100.90
(c) Capital work-in-progress	3c	1.68	392.72
(d) Intangible Assets		-	-
(e) Financial Assets			
(i) Investments	4	8,940.92	8,330.29
(ii) Loans	5	0.49	2.91
(iii) Others financial assets	6	35.77	25.79
(f) Other non-current assets	7	153.61	131.54
<b>Total Non-current assets</b>		<b>14,707.33</b>	<b>14,327.49</b>
<b>2 Current assets</b>			
(a) Inventories	8	7,495.39	8,328.31
(b) Financial Assets			
(i) Investments	9	7,945.26	8,833.02
(ii) Trade receivables	10	1,624.38	1,340.49
(iii) Cash and Cash Equivalents	11	79.09	65.69
(iv) Bank balances other than (iii) above	11A	278.70	303.16
(v) Loans	12	3.85	4.16
(vi) Other financial assets	13	17.24	13.54
(c) Other current assets	14	629.25	1,007.47
<b>Total Current assets</b>		<b>18,073.16</b>	<b>19,895.83</b>
<b>TOTAL ASSETS</b>		<b>32,780.49</b>	<b>34,223.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	15	8,036.37	8,036.37
(b) Other Equity	16	16,261.13	16,498.89
<b>Total Equity</b>		<b>24,297.50</b>	<b>24,535.26</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
Lease Liability	17	0.08	0.08
(b) Provisions	18	52.50	52.85
(c) Deferred tax liabilities (Net)	19	671.43	696.29
(d) Other non current liabilities	20	11.11	16.99
<b>Total Non-current liabilities</b>		<b>735.12</b>	<b>766.22</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	113.57	33.78
(ii) Trade payables	22		
(A) total outstanding dues of micro enterprises and small enterprises		26.91	71.13
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4,262.06	5,344.64
(iii) Other financial liabilities	23	717.00	916.96
(b) Other Current liabilities	26	229.95	97.19
(c) Provisions	24	45.65	8.97
(d) Current tax liabilities (net)	25	2,352.73	2,449.17
<b>Total Current liabilities</b>		<b>7,747.87</b>	<b>8,921.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,780.49</b>	<b>34,223.32</b>
See accompanying notes to the financial statements	1 to 59		

As per our report of even date attached

For **SCV & Co. LLP**

Chartered Accountants

Firm Registration No.: 000235N/N500089

**Sanjiv Mohan**

Partner

Membership No:-086066

Place: Ludhiana

Date: 04-May-2024

**Satin Katyal**

Company Secretary

Membership No:-A40578

Place: Ludhiana

Date: 04-May-2024

**Raish Shaikh**

Chief Financial Officer

Place: Jhagadia

Date: 04-May-2024

**Vivek Gupta**

Whole Time Director

DIN:10366909

Place: Gurugram

Date: 04-May-2024

**S.P. Oswal**

Chairman

DIN: 00121737

Place: Ludhiana

Date: 04-May-2024

For and on behalf of the Board of Directors of

**Vardhman Acrylics Limited**

# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
I Revenue from operations	27	29,747.87	42,666.45
II Other income	28	1,402.72	1,279.36
<b>III Total Income (I+II)</b>		<b>31,150.59</b>	<b>43,945.81</b>
<b>IV Expenses :</b>			
Cost of materials consumed	29	19,540.43	27,755.29
Purchases of stock-in-trade	30	-	163.00
Changes in inventory of work-in-progress, stock-in-trade and finished goods	31	(201.24)	354.18
Employee benefit expense	32	2,004.37	1,804.38
Finance cost	33	28.67	28.75
Depreciation and amortization expenses	3a & 3b	563.00	548.58
Other expenses	34	7,080.30	8,981.82
<b>Total Expenses (IV)</b>		<b>29,015.53</b>	<b>39,636.00</b>
<b>V Profit before tax (III-IV)</b>		<b>2,135.06</b>	<b>4,309.81</b>
<b>VI Tax expense:</b>			
Current tax		406.37	1,084.01
Deferred tax		(24.87)	(59.99)
<b>Total tax expense</b>		<b>381.50</b>	<b>1,024.02</b>
<b>VII Profit for the year (V-VI)</b>		<b>1,753.56</b>	<b>3,285.79</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(a) (i) Remeasurements of the defined benefits plans		(6.84)	(12.00)
(ii) Income tax relating to items that will not be reclassified to profit or loss		1.72	3.02
(b) (i) Equity instruments through other comprehensive income		22.90	26.69
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total Other Comprehensive income for the year (Net of taxes)</b>		<b>17.78</b>	<b>17.71</b>
<b>IX Total Comprehensive Income for the year (VII+VIII)</b>		<b>1,771.34</b>	<b>3,303.51</b>
<b>Earnings per equity share</b>			
<b>Equity share of par value of ₹ 10/- each</b>			
Basic (in ₹)(per share)		2.18	4.09
Diluted (in ₹)(per share)		2.18	4.09
The accompanying notes form an integral part of financial statements	1 to 59		

As per our report of even date attached

For **SCV & Co. LLP**

Chartered Accountants

Firm Registration No.: 000235N/N500089

For and on behalf of the Board of Directors of

**Vardhman Acrylics Limited**

**Sanjiv Mohan**

Partner

Membership No:-086066

Place: Ludhiana

Date: 04-May-2024

**Satin Katyal**

Company Secretary

Membership No:-A40578

Place: Ludhiana

Date: 04-May-2024

**Raish Shaikh**

Chief Financial Officer

Place: Jhagadia

Date: 04-May-2024

**Vivek Gupta**

Whole Time Director

DIN: 10366909

Place: Gurugram

Date: 04-May-2024

**S.P. Oswal**

Chairman

DIN: 00121737

Place: Ludhiana

Date: 04-May-2024

# Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2024		For the year ended 31 <sup>st</sup> March 2023	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Profit before tax</b>		<b>2135.06</b>		<b>4309.81</b>
<b>Adjustments for :</b>				
Depreciation and Amortization expense	563.00		548.58	
Finance cost	8.01		1.64	
Interest income	(12.57)		(13.45)	
(Profit)/Loss on sale of investment (net)	(575.40)		(324.32)	
Dividend on investments	-		-	
Gain on disposal of Property, Plant and Equipment	(4.17)		(2.36)	
Loss on discard of Property, Plant and Equipment	18.39		16.19	
Net Gain on fair valuation of investment at fair value through Profit or loss	(626.28)		(461.59)	
Foreign exchange (gain) or loss	(5.65)		18.82	
Bad debts/Allowances for expected credit loss/ Credit Impairment	12.89		4.84	
Sundry balances Written off	-		0.13	
Provisions no longer required written back	(22.61)	(644.38)	(26.78)	(238.30)
<b>Operating profit before working capital changes</b>		<b>1490.67</b>		<b>4071.51</b>
<b>Adjustments for working capital changes:</b>				
Decrease / (increase) in trade receivables	(296.63)		(288.81)	
Decrease/(increase) in loans	2.72		10.23	
Decrease/(increase) in other financial assets (current)	(12.24)		1.26	
Decrease/(increase) in other financial assets (non current)	0.00		0.00	
Decrease / (Increase) in other assets (current)	378.07		833.97	
Decrease / (Increase) in other assets (non current)	(22.07)		(75.98)	
Decrease/(increase) in Inventories	832.92		(643.42)	
Increase/(decrease) in trade payables	(1126.80)		708.17	
Increase/(decrease) in other financial liabilities (current)	(187.00)		224.68	
Increase/(decrease) in other financial liabilities (non current)	(0.00)		(0.00)	
Increase/(decrease) in other liabilities (current)	209.83		48.37	
Increase/(decrease) in other liabilities (non current)	(6.22)	(227.44)	11.27	829.74
<b>Cash generated from operations</b>		<b>1263.22</b>		<b>4901.25</b>
Income taxes paid	(502.81)	(502.81)	(1048.58)	(1,048.58)
<b>Net cash generated from operating activities</b>		<b>760.41</b>		<b>3852.67</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payment for Purchase of Property, plant and equipment	(324.81)		(799.24)	
Proceeds from sale of Property, plant and equipment	8.01		2.97	
Interest received	16.77		11.25	
Proceeds from sale of Investments in Mutual Funds/Liquid Funds/Debt Funds	5073.41		2912.12	
Payment for purchase of Investments in Mutual Funds/Liquid Funds/Debt Funds	(3594.61)		(5886.75)	
Bank balances not considered as cash and cash equivalents	24.47		86.39	
<b>Net cash flow from (used in) investing activities</b>		<b>1203.24</b>		<b>(3673.26)</b>

# Statement of Cash Flows

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended 31 <sup>st</sup> March 2024		For the year ended 31 <sup>st</sup> March 2023	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of short - term borrowings	-		(244.62)	
Proceeds from short - term borrowings	79.80		-	
Dividend paid to company's shareholders	(2,022.04)		(14.03)	
Interest paid	(8.01)		(1.64)	
Interest on lease liability	0.00		0.00	
<b>Net cash from (or used in) financing activities</b>		<b>(1,950.25)</b>		<b>(260.28)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>13.40</b>		<b>(80.87)</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR #		65.69		146.55
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer note 11) *</b>		<b>79.09</b>		<b>65.69</b>

\* ₹65.69 Lakhs - Cash on Hand ₹0.60 Lakhs, Balance with banks in current accounts ₹24.96 Lakhs and balance with banks In deposit accounts with maturity upto three months ₹40.12 Lakhs

# ₹146.55 Lakhs - Cash on Hand ₹0.52 Lakhs, Balance with banks in current accounts ₹105.91 Lakhs and balance with banks In deposit accounts with maturity upto three months ₹40.12 Lakhs

\* ₹79.09 Lakhs - Cash on Hand ₹0.49 Lakhs, Balance with banks in current accounts ₹32.14 Lakhs and balance with banks In deposit accounts with maturity upto three months ₹46.46 Lakhs

There are no non cash changes arising from financial activities

See accompanying notes to the financial statements

As per our report of even date attached

For **SCV & Co. LLP**

Chartered Accountants

Firm Registration No.: 000235N/N500089

**Sanjiv Mohan**

Partner

Membership No:-086066

Place: Ludhiana

Date: 04-May-2024

**Satin Katyal**

Company Secretary

Membership No:- A40578

Place: Ludhiana

Date: 04-May-2024

**Raish Shaikh**

Chief Financial Officer

Place: Jhagadia

Date: 04-May-2024

For and on behalf of the Board of Directors of  
**Vardhman Acrylics Limited**

**Vivek Gupta**

Whole Time Director

DIN: 10366909

Place: Gurugram

Date: 04-May-2024

**S.P. Oswal**

Chairman

DIN: 00121737

Place: Ludhiana

Date: 04-May-2024

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## a. Equity share capital

Particulars	Amount
<b>Balance as at April 1, 2022</b>	<b>8,036.37</b>
Changes in Equity Share Capital during 22-23	-
<b>Balance as at March 31, 2023</b>	<b>8,036.37</b>
Changes in Equity Share Capital during 23-24	-
<b>Balance as at March 31, 2024</b>	<b>8,036.37</b>

## b. Other equity

Particulars	OTHER EQUITY						Total other equity
	Reserves & Surplus				Other comprehensive income		
	Capital reserve	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as of 1<sup>st</sup> April 2023</b>	<b>2,816.88</b>	-	<b>4,006.15</b>	<b>9,564.62</b>	<b>94.50</b>	<b>16.74</b>	<b>16,498.89</b>
Profit for the Year				1,753.56			1753.56
Other comprehensive income for the year (net of income tax)					22.90	(5.12)	17.78
<b>Total Comprehensive Income for the year</b>				<b>1753.56</b>	<b>22.90</b>	<b>(5.12)</b>	<b>1771.34</b>
Payment of dividend				(2009.09)			(2009.09)
<b>Balance as of 31<sup>st</sup> March 2024</b>	<b>2816.88</b>	<b>0.00</b>	<b>4006.15</b>	<b>9,309.09</b>	<b>117.40</b>	<b>11.62</b>	<b>16,261.13</b>

Particulars	OTHER EQUITY						Total other equity
	Reserves & Surplus				Other comprehensive income		
	Capital reserve	Securities premium	General reserve	Retained earnings	Equity instruments through other comprehensive income	Other items of other comprehensive income	
<b>Balance as of 1<sup>st</sup> April 2022</b>	<b>2,816.88</b>	-	<b>4,006.15</b>	<b>6,278.83</b>	<b>67.81</b>	<b>25.71</b>	<b>13,195.38</b>
Profit for the Year				3,285.79			3285.79
Other comprehensive income for the year (net of income tax)					26.69	(8.98)	17.71
<b>Total Comprehensive Income for the year</b>				<b>3285.79</b>	<b>26.69</b>	<b>(8.98)</b>	<b>3303.51</b>
Payment of dividend							0.00
<b>Balance as of 31<sup>st</sup> March 2023</b>	<b>2816.88</b>	<b>0.00</b>	<b>4006.15</b>	<b>9,564.62</b>	<b>94.50</b>	<b>16.74</b>	<b>16,498.89</b>

The accompanying notes form an integral part of financial statements

As per our report of even date attached

For **S C V & Co. LLP**

Chartered Accountants

Firm Registration No.: 000235N/N500089

For and on behalf of the Board of Directors of

**Vardhman Acrylics Limited****Sanjiv Mohan**

Partner

Membership No:-086066

Place: Ludhiana

Date: 04-May-2024

**Satin Katyal**

Company Secretary

Membership No:-A40578

Place: Ludhiana

Date: 04-May-2024

**Raish Shaikh**

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**Vivek Gupta**

Whole Time Director

DIN: 00121737

Place: Gurugram

Date: 04-May-2024

**S.P. Oswal**

Chairman

Place: Ludhiana

Date: 04-May-2024

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 1. Corporate Information

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

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

Vardhman Textile Limited (Holding Co. of the entity) owns 70.74% of the company's equity share capital as at 31<sup>st</sup> March 2024.

The Board of Directors approved the Financial Statements for the year ended 31<sup>st</sup> March, 2024 and authorised for issue on 04<sup>th</sup> May, 2024.

## 2. Accounting policies, accounting judgements, estimates and assumptions and applicability of new and revised Ind AS

### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

### 2.2 Basis of preparation and measurement

(i) The financial statements have been prepared on historical cost convention and on the accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period as required under Ind AS.

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

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value.

### Historical Cost:

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

### Fair Value Measurement

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

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

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

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

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

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

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

(iii) Functional and presentation currency

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

## 2.3 Material Accounting Policies

### (a) Revenue Recognition

#### Revenue

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the company as a part of the contract.

#### i. Sale of products

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

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

Revenue is measured based on the transaction price (net of variable consideration) which is consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers.

Revenue excludes taxes collected from customers on behalf of the government.

Due to short nature of credit period given to customers, there is no financing component in the contract.

#### ii. Interest income

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

- Interest Income from financial asset is recognized when it is probable that economic benefits will flow to the company and amount of income can be measured reliably. Interest income is accrued on time basis, by reference to principal outstanding and at effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

#### iii. Dividend income

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

#### iv. Insurance and Other Claims

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

### (b) Employee Benefits

#### i. Short term Employee Benefits :

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

#### ii. Post Employee Benefits Plans:

##### Defined Contributions Plans

##### (a) Provident Fund



# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

## (b) Superannuation

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

## Defined Benefits Plan:

### (c) Gratuity

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

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

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

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

### iii Long term employee benefits:

#### Compensated absences

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

### (c) Property, Plant and Equipment

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

Building	- 30-60 years.
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# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

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

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

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

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

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

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

## Impairment of property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.

the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

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

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

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

## (d) Inventories

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

- In case of raw materials, at weighted average cost plus direct expenses.
- In case of stores and spares, at weighted average cost plus direct expenses.
- In case of work-in-progress, at raw material cost plus conversion cost depending upon the stage of completion.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

- In case of finished goods, at raw material cost plus conversion cost, packing cost and other overheads incurred to bring the goods to their present condition and location.
- Net realizable value is the estimated selling price in ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

## (e) Earnings per Share

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

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders is divided by the weighted average number of equity shares outstanding during the period after adjusting for the effects of all dilutive potential equity shares, if any.

## (f) Taxes on Income

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

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

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

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

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

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

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

## (g) Foreign Currency Transactions

### Transaction and balances

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

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

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

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

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

## (h) Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders. Interim dividends are recorded as a liability on the date of declaration by the Company's Board. Company is required to pay / distribute dividend after deducting applicable taxes.

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Final dividend for Fiscal 2023	-	2.5
Interim dividend for Fiscal 2024	-	-

During the year ended March 31, 2024, on account of the final dividend for fiscal 2023, the Company has incurred a net cash outflow of ₹2022.04 lakhs. The Board of Directors, recommended a final dividend of ₹2.00 per equity share for the financial year ended March 31, 2024. This payment is subject to the approval of shareholders in the AGM of the Company and if approved, would result in a net cash outflow of approximately ₹ 1607.27 lakhs.

## (i) Leases

### The Company as a lessee

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

the lease and (iii) the Company has the right to direct the use of the asset.

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

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

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

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

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

assessment if whether it will exercise an extension or a termination option.

## (j) Financial Instruments

### i. Initial Recognition and measurement

The company recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument.

All financial assets and liabilities are initially recognized at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial asset or financial liability on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction cost that are directly attributable to the acquisition of financial assets or financial liabilities, which are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

### ii. Subsequent measurement

#### • Non-derivative financial instruments

#### 1. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### 2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both

collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

### 4. Financial assets at fair value through profit or loss

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

### 5. Financial liabilities

The financial liabilities are subsequently carried at amortized

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

cost using the effective interest method.

- **Derivative financial instruments**

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

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

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

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

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

- **Cash Flow Hedge**

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

- **Derecognition of financial instruments**

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

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

- **Offsetting**

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

- **Fair value measurement**

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

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

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

those instruments, carrying amount is considered as fair value.

### iii. Impairment

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

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

The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an impairment loss or gain in statement of profit and loss.

### (k) Cash and cash equivalents

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

### (l) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature 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. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### (m) Provisions and Contingent liabilities:

#### (A) Provisions

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

#### (B) Contingent liability

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

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

Contingent assets are neither recognized nor disclosed in the financial statements

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

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

## 2.4 Other Accounting Policies

### (a) Borrowing Costs

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

### (b) Government Grants

- i. The government grants are recognized only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.
- ii. Government grants in relation to fixed assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.
- iii. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.
- iv. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they becoming receivable.
- v. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### (C) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment if any. Intangible

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

### (D) Segment reporting

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

## 2.5 Use of accounting judgements and estimates

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

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

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

### i. Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of



# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

maintenance expenditure required to obtain the expected future cash flows from the asset.

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

## ii. Recoverable amount of property, plant and equipment

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

## iii. Defined benefit plans

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

## iv. Recognition of deferred tax assets

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

## v. Income Tax

The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

## vi. Inventory

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market driven changes.

## vii. Contingencies

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

## viii. Fair value measurement

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

## 2.6 Applicability of new and revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 3 (a) Property, plant and equipment and capital work-in-progress

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Carrying amount of</b>		
Buildings	1,149.36	1,185.44
Plant and equipment	3,186.92	3,036.35
Furniture and fixtures	14.91	10.21
Vehicles	65.58	61.72
Office equipment	45.90	49.62
<b>Total Property, plant and equipment</b>	<b>4,462.68</b>	<b>4,343.35</b>

The changes in carrying value of Property, Plant and Equipment for the year ending 31 March, 2024 are as follows:

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Total
<b>Balance at 01<sup>st</sup> April 2023</b>	<b>1778.53</b>	<b>6071.47</b>	<b>19.66</b>	<b>138.44</b>	<b>199.63</b>	<b>8207.73</b>
Additions	47.13	603.08	9.14	20.53	9.19	689.07
Adjustments/Transfer	-0.00	-0.00	-0.00	-0.00	-0.00	-0.00
Deletions	-0.00	(136.67)	-0.00	(11.53)	(1.91)	(150.11)
<b>Balance at 31<sup>st</sup> March 2024</b>	<b>1825.66</b>	<b>6537.87</b>	<b>28.80</b>	<b>147.44</b>	<b>206.92</b>	<b>8746.69</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2023</b>	<b>(593.09)</b>	<b>(3035.12)</b>	<b>(9.45)</b>	<b>(76.72)</b>	<b>(150.01)</b>	<b>(3864.39)</b>
Depreciation	(83.21)	(434.29)	(4.44)	(12.82)	(12.74)	(547.50)
Accumulated depreciation on deletions	-0.00	118.46	-0.00	7.68	1.73	127.87
<b>Accumulated depreciation as at 31<sup>st</sup> March 2024</b>	<b>(676.30)</b>	<b>(3350.95)</b>	<b>(13.89)</b>	<b>(81.86)</b>	<b>(161.01)</b>	<b>(4284.01)</b>
<b>Carrying Value as of 31<sup>st</sup> March 2024</b>	<b>1149.36</b>	<b>3186.92</b>	<b>14.91</b>	<b>65.58</b>	<b>45.90</b>	<b>4462.68</b>
<b>Carrying Value as of 1<sup>st</sup> April 2023</b>	<b>1185.44</b>	<b>3036.35</b>	<b>10.21</b>	<b>61.72</b>	<b>49.62</b>	<b>4343.35</b>

The changes in carrying value of Property, Plant and Equipment for the year ending 31 March, 2023 are as follows:

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office Equipment	Total
<b>Balance at 01<sup>st</sup> April 2022</b>	<b>1734.23</b>	<b>5833.41</b>	<b>20.66</b>	<b>111.51</b>	<b>211.38</b>	<b>7911.19</b>
Additions	44.30	338.45	0.00	36.63	7.38	426.76
Adjustments/Transfer	0.00	(1.10)	0.00	0.00	0.00	(1.10)
Deletions	0.00	(99.30)	(1.00)	(9.70)	(19.13)	(129.12)
<b>Balance at 31<sup>st</sup> March 2023</b>	<b>1778.53</b>	<b>6071.47</b>	<b>19.66</b>	<b>138.44</b>	<b>199.63</b>	<b>8207.73</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2022</b>	<b>(511.17)</b>	<b>(2700.88)</b>	<b>(8.77)</b>	<b>(73.82)</b>	<b>(148.91)</b>	<b>(3443.56)</b>
Depreciation	(81.92)	(419.78)	(1.62)	(11.99)	(17.84)	(533.15)
Accumulated depreciation on deletions	0.00	85.55	0.94	9.09	16.75	112.33
<b>Accumulated depreciation as at 31<sup>st</sup> March 2023</b>	<b>(593.09)</b>	<b>(3035.12)</b>	<b>(9.45)</b>	<b>(76.72)</b>	<b>(150.01)</b>	<b>(3864.39)</b>
<b>Carrying Value as of 31<sup>st</sup> March 2023</b>	<b>1185.44</b>	<b>3036.35</b>	<b>10.21</b>	<b>61.72</b>	<b>49.62</b>	<b>4343.35</b>
<b>Carrying Value as of 1<sup>st</sup> April 2022</b>	<b>1223.06</b>	<b>3132.53</b>	<b>11.89</b>	<b>37.69</b>	<b>62.46</b>	<b>4467.63</b>

Notes on property, plant and equipment

- Borrowing cost capitalised during the year ₹NIL (Previous year NIL).

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 3 (a) Property, plant and equipment and capital work-in-progress (Contd..)

- Also refer note 2 (c) for option used by the company to use carrying value of previous GAAP as deemed cost as on April 1, 2015
- The title deeds of all immovable properties are held in the name of the Company.
- The Company has not revalued its Property, Plant and Equipment during the year.

## 3(b) Right of Use-Asset

Right of Use Asset	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Carrying amount of</b>		
Land	1,112.18	1,100.90
<b>Total Right of Use Asset</b>	<b>1,112.18</b>	<b>1,100.90</b>

### Following are the changes in carrying value of Right of use of assets for the year ended 31 March 2024

Right of Use Asset

Cost	Land
<b>Balance at 01<sup>st</sup> April 2023</b>	<b>1,162.62</b>
Additions	26.78
Adjustments/Transfer (Refer no 39)	-
Deletions	-
<b>Balance at 31<sup>st</sup> March 2024</b>	<b>1189.40</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2023</b>	<b>(61.72)</b>
Depreciation	(15.50)
Accumulated depreciation on deletions	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2024</b>	<b>(77.22)</b>
<b>Carrying Value as of 31<sup>st</sup> March 2024</b>	<b>1112.18</b>
<b>Carrying Value as of 1<sup>st</sup> April 2023</b>	<b>1,100.90</b>

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

Cost	Land
<b>Balance at 01<sup>st</sup> April 2022</b>	<b>1,162.62</b>
Additions	-
Adjustments/Transfer (Refer no 39)	-
Deletions	-
<b>Balance at 31<sup>st</sup> March 2023</b>	<b>1162.62</b>
<b>Accumulated depreciation as at 1<sup>st</sup> April 2022</b>	<b>(46.29)</b>
Depreciation	(15.43)
Accumulated depreciation on deletions	-
<b>Accumulated depreciation as at 31<sup>st</sup> March 2023</b>	<b>(61.72)</b>
<b>Carrying Value as of 31<sup>st</sup> March 2023</b>	<b>1100.90</b>
<b>Carrying Value as of 1<sup>st</sup> April 2022</b>	<b>1,116.33</b>

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

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 3 (c) Capital-Work-in Progress

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Capital-work-In- Progress	1.68	392.72

### As on 31.03.2024

CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.68	-	-	-	1.68
Projects temporarily suspended	-	-	-	-	0.00
<b>Total</b>	<b>1.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.68</b>

### As on 31.03.2023

CWIP aging schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	374.24	2.21	16.26	-	392.72
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>374.24</b>	<b>2.21</b>	<b>16.26</b>	<b>-</b>	<b>392.72</b>

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

## 4 Investments

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non current Investments</b>		
Non trade Investments		
<b>Investments carried at fair value through other comprehensive income (FVTOCI)</b>		
Non trade		
Investment in equity instrument		
<b>(Unquoted)</b>		
1,647,525 (31 March 2023: 1,647,525) Equity Shares of Narmada clean Tech (formerly known as Bharuch Eco-Aqua Infrastructure Ltd. of ₹10/- each fully paid up.)	329.83	306.93
<b>Investments carried at fair value through profit or loss (FVTPL)</b>		
Investments in Mutual Funds; Debt Funds; Fixed Maturity plans		
Investment in Mutual Fund		

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 4 Investments (Contd..)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(Quoted)</b>		
47,657,528 (31 March 2023: 47,657,528) Units of ₹ 10/- each of Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 Direct Plan Growth	5,658.14	5,275.83
246,634 (31 March 2023: 246,634) Units of ₹ 1000/- each of Edelweiss Bharat Bond ETF 2025	2,952.94	2,747.53
<b>Total</b>	<b>8,940.92</b>	<b>8,330.29</b>
Aggregate amount of quoted investments	8,611.08	8,023.36
Aggregate market value of quoted investments	8,611.08	8,023.36
Aggregate amount of unquoted investments	329.83	306.93
Aggregate amount of impairment in value of investments	-	-

(i) Also, Refer note 42

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

## 5 Financial Asset Loan

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non current</b>		
Financial assets at amortized cost		
Loans receivables considered good - Unsecured		
- Loans to employees	0.49	2.91
	<b>0.49</b>	<b>2.91</b>

Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member is NIL

## 6 Other financial assets

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non Current</b>		
<b>Financial assets at amortized cost</b>		
Fixed Deposit with banks more than twelve months maturity	35.77	25.79
	<b>35.77</b>	<b>25.79</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 7 Other Non Current Assets

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(Unsecured considered good unless otherwise stated)</b>		
Security deposits	143.97	120.00
Deferred Expense for Employee benefit	0.05	0.43
Prepaid Expenses	3.46	4.98
Others	6.13	6.13
	<b>153.61</b>	<b>131.54</b>

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

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Raw materials	842.28	1,971.82
Raw materials in transit	3,849.79	3,631.17
Finished goods	1,028.84	690.02
Work in progress	494.75	632.33
Stores and spares	1,279.73	1,402.96
	<b>7,495.39</b>	<b>8,328.31</b>

The amount of inventory recognised as an expense during the year is ₹24,205.92 Lakhs (Previous year ₹34,317.81 lakhs)

## 9 Other Investments (Current)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Other Investments (Current)</b>		
<b>Financial assets measured at fair value through profit or loss (FVTPL)</b>		
<b>(Quoted)</b>		
<b>(i) Investment in Mutual Funds</b>		
72,530 (31 March 2023: 34,399) Units of ₹ 1000/- each of SBI Liquid Fund Direct Growth	2,741.11	1,211.99
6,421,876 (31 March 2023: 19,219,155) Units of ₹ 10/- each of Kotak Equity Arbitrage Fund- Direct Growth	2,336.68	6,447.70
Nil (31 March 2023: 7,199) Units of ₹ 1000/- each of SBI Magnum Ultra SDF-Direct Growth	-	371.34
8,759,991 (31 March 2023: 2,653,853) Units of ₹ 10/- each of SBI Arbitrage Oppurtunity Fund- Direct Plan - Growth	2,867.48	801.99
	<b>7,945.26</b>	<b>8,833.02</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 9 Other Investments (Current) (Contd..)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Aggregate amount of quoted investments	7,945.26	8,833.02
Aggregate Market value of quoted investments	7,945.26	8,833.02
Aggregate amount of unquoted investment	-	-
Aggregate amount of impairment in value of investments	-	-

### Notes:

- (i) Also, Refer note 42
- (ii) \*Investment having maturity period of less than 12 months from March 31, 2024 i.e. the balance sheet date have been reclassified as ' Current Investment' during the year, if applicable.
- (iii) Refer Note 46 B information on investment pledged as security by company.

## 10 \* Trade receivables

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Receivable from related parties</b>		
- Unsecured, considered good	150.57	150.11
<b>Receivable from others</b>		
- Unsecured considered good	1,490.08	1,193.92
- Less Allowances for doubtful trade receivables	(11.96)	
- Less Allowances for expected credit loss	(4.31)	(3.53)
	<b>1,624.38</b>	<b>1,340.49</b>

- (i) The credit period allowed on sales generally vary, on case to case basis, in case of domestic sales, based on market conditions, maximum credit period allowed is 5 days and 90 days against letter of credit (2022-23- 5 days and 90 days against letter of credit) in case of domestic sale.
- (ii) Ageing of allowances of credit impairment trade receivables

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
- Less than 180 days	-	-
- More than 180 days	11.96	-
	<b>11.96</b>	-

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 10 \* Trade receivables (Contd..)

(iii) Movement in expected credit loss allowance

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
- Balance at the beginning of the year	3.53	4.84
- Reversal of provision during year	-	(4.84)
- Provision provided during the year	0.78	3.53
- Balance at the end of the year	4.31	3.53

(iv) Age of Receivables:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(a) Undisputed Trade receivables – considered good</b>		
Not Due	1,621.18	
Less than 6 months	-	1,189.19
6 months to 1 year	7.51	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
	<b>1,628.69</b>	<b>1,189.19</b>
<b>(b) Disputed Trade receivables – considered good</b>		
Not Due	-	-
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	7.24	-
2 to 3 years	-	-
More than 3 years	4.73	4.73
	<b>11.97</b>	<b>4.73</b>
<b>(c) Disputed Trade receivables – credit impaired</b>		
Less than 6 months	-	-
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
	-	-

# Refer note 42

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



# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 11 Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Cash on hand	0.49	0.60
Balance with banks :		
- In current accounts	31.71	22.56
- In cash credit accounts	0.44	2.40
- In deposit accounts with original maturity of three months or less	46.46	40.12
	<b>79.09</b>	<b>65.69</b>

# Refer note 42

### 11A Bank Balances other than Cash and cash equivalents

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Other bank balances		
- Earmarked balances with banks*	91.64	104.59
- Deposits with original maturity more than three months but less than twelve months	187.05	198.57
	<b>278.70</b>	<b>303.16</b>

\* Earmarked balances with banks includes ₹ 91.64 Lakhs (March 31, 2023: ₹ 104.59 Lakhs) pertaining to unpaid dividend accounts with banks

# Refer note 42

## 12 Financial Asset

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Current</b>		
<b>Loans</b>		
Financial assets at amortized cost		
Loans receivables considered good - Unsecured		
- Loans to employees	3.85	4.16
	<b>3.85</b>	<b>4.16</b>

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

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 13 Other financial assets

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial assets at amortized cost</b>		
- Interest Accrued but not due	0.84	5.04
- Advances to employees	5.30	5.86
- Others	5.45	2.63
<b>Financial assets at Fair value through Profit or Loss</b>		
- Derivative Financial Instruments	5.65	-
	<b>17.24</b>	<b>13.54</b>

## 14 Other current assets

(Unsecured considered good, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Advances to Suppliers		
- For supply of goods and rendering of services	305.65	753.45
Prepaid expenses	12.42	9.44
Balances and Deposits with Government Authorities	298.26	221.47
Balances and Deposits with Others	12.76	22.95
Deferred Expense for Employee benefits	0.17	0.15
	<b>629.25</b>	<b>1,007.47</b>

## 15 Equity share Capital

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Authorised</b>		
150,000,000 Equity Shares, ₹10/- each (31 <sup>st</sup> March 2023 : 150,000,000 )	15,000.00	15,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and Paid-up</b>		
80,363,746 Equity Shares, ₹10/- each (31 <sup>st</sup> March 2023 : 80,363,746)	8,036.37	8,036.37
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>8,036.37</b>	<b>8,036.37</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 15 Equity share Capital (Contd..)

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

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
At the beginning of the period	8,03,63,746	8,036.37	8,03,63,746	8,036.37
Outstanding at the end of period	8,03,63,746	8,036.37	8,03,63,746	8,036.37

(b) Terms/ rights attached to equity shares

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

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

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend.

### Shareholding of Promoter

Sr no.	Promoter's name	As at 31-03-2024			As at 31-03-2023		
		No. of Shares	% of total shares	% change during the year	No. of Shares	No. of Shares	% change during the year
1	Vardhman Textiles Limited	5,68,51,144	70.74%	-	5,68,51,144	70.74%	-
2	Devakar Investment and Trading Company Private Limited	25,93,484	3.23%	-	25,93,484	3.23%	-
3	Vardhman Holdings Limited	7,33,762	0.91%	-	7,33,762	0.91%	-
4	VTL Investments Limited	70,330	0.09%	-	70,330	0.09%	-
5	Santon Finance & Investment Company Limited	100	0.00%	-	100	0.00%	-
6	Mahavir Spinning Mills Private Limited	100	0.00%	-	100	0.00%	-
7	Flamingo Finance & Investment Company Limited	100	0.00%	-	100	0.00%	-
8	Ramaniya Finance & Investment Company Limited	100	0.00%	-	100	0.00%	-
9	Adishwar Enterprises LLP	10	0.00%	-	10	0.00%	-
10	Shri Paul Oswal	10	0.00%	-	10	0.00%	-
11	Shakun Oswal	10	0.00%	-	10	0.00%	-
12	Sachit Jain	10	0.00%	-	10	0.00%	-
13	Suchita Jain	-	0.00%	-	-	0.00%	-
14	Soumya Jain	-	0.00%	-	-	0.00%	-
15	Sagrika Jain	-	0.00%	-	-	0.00%	-

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 15 Equity share Capital (Contd..)

Sr no.	Promoter's name	As at 31-03-2024			As at 31-03-2023		
		No. of Shares	% of total shares	% change during the year	No. of Shares	No. of Shares	% change during the year
16	Amber Syndicate	-	0.00%	-	-	0.00%	-
17	Paras Syndicate	-	0.00%	-	-	0.00%	-
18	Eastern Trading Company	-	0.00%	-	-	0.00%	-
19	Northern Trading Company	-	0.00%	-	-	0.00%	-

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

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

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Vardhman Textiles Limited, the holding Company 5,68,51,144 (previous year 5,68,51,144) Equity Shares of ₹10/- each fully paid	5,685.11	5,685.11
VTL Investments Limited, the fellow subsidiary of Company 70,330 (previous year 70,330) Equity Shares of ₹10/- each fully paid	7.03	7.03

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

Names of Shareholders	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of shareholders	% of Shareholding	No. of shareholders	% of Shareholding
Vardhman Textiles Ltd.	5,68,51,144	70.74	5,68,51,144	70.74

### e) Aggregate number and class of share allotted as fully paid-up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five year immediately preceding the balance sheet date:

Year	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Equity shares allotted as fully paid up pursuant to contract (s) without payment being received in cash	-	-
Equity shares allotted as fully paid up by way of bonus shares	-	-
Equity shares bought back by the Company	-	-

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 16 Other equity

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Capital redemption reserve	2,816.88	2,816.88
Securities premium	-	-
General reserve	4,006.15	4,006.15
Retained earnings	9,309.09	9,564.62
Equity instruments through other comprehensive income	117.40	94.50
Other items of other comprehensive income	11.62	16.74
<b>Total other equity</b>	<b>16,261.13</b>	<b>16,498.89</b>

Nature and purpose of reserve

- (i) **Capital redemption reserve:** Capital Redemption Reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption of capital or purchase of a company's own shares.
- (ii) **General Reserve:** General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.
- (iii) **Retained earnings:** Retained earnings represents amount that can be distributed by the Company to its equity shareholders is determined based on the financial statements of the Company and also considering the requirements of the Companies Act 2013.
- (iv) **Reserve for equity instruments through other comprehensive income :** Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amount reclassified to retained earnings when those assets have been disposed off.
- (v) **Reserve for other items of other comprehensive income :** Other items of other comprehensive income comprises income/ (Expense) represent the actuarial gain/(loss) recognised during the year (net of taxes)

## 17 Lease liabilities (Non Current)\*

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial liabilities at amortized cost</b>		
- Lease liability	0.08	0.08
	<b>0.08</b>	<b>0.08</b>

Refer note 39 & 42

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 18 Provisions (Non-Current)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Provision for employee benefits</b>		
- Provision for compensated absences	52.50	52.85
	<b>52.50</b>	<b>52.85</b>

Refer note 36.3

## 19 Deferred tax liabilities (net)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Deferred tax liabilities (net)	671.43	696.29
	<b>671.43</b>	<b>696.29</b>

Refer note no - 41

## 20 Other Non Current liabilities

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
- <b>Other liabilities due to employees</b>	11.11	16.99
	<b>11.11</b>	<b>16.99</b>

## 21 Borrowings (current)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
- From banks (Secured at amortised cost)	-	-
- From banks (unsecured at amortised cost)	113.57	33.78
	<b>113.57</b>	<b>33.78</b>

No current assets pledged with the banks against the borrowings, hence no stock statement provided to banks

Refer note no - 46B

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 22 Trade payables

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Total outstanding dues of micro enterprises and small enterprises (Refer Note 44)	26.91	71.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,262.06	5,344.64
	<b>4,288.97</b>	<b>5,415.77</b>

Ageing of Trade payables:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(i) MSME:</b>		
Less than 1 year	26.91	71.13
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	<b>26.91</b>	<b>71.13</b>
<b>(ii) Others:</b>		
Less than 1 year	4,220.44	5,320.90
1-2 years	27.15	12.27
2-3 years	10.79	3.68
More than 3 years	3.68	7.79
	<b>4,262.06</b>	<b>5,344.64</b>

## 23 Other financial liabilities (current):

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial liabilities at amortized cost</b>		
- Due to employees	217.01	188.76
- Securities Received	11.97	12.72
- Others	396.38	568.56
- Unclaimed Dividend*	91.64	104.59
<b>Financial liabilities at Fair value through Profit or Loss</b>		
- Derivative Financial Instruments	-	42.33
	<b>717.00</b>	<b>916.96</b>

Refer note no - 42

\* Unclaimed dividend does not include any amount due and outstanding required to be credited to the Investors Education and Protection Fund u/s 125 of Companies Act, 2013.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 24 Provisions

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Provision to Employee benefits</b>		
- Gratuity (Net)	18.41	-
- Compensated absences	27.24	8.97
	<b>45.65</b>	<b>8.97</b>

Refer note no - 36

## 25 Current tax liabilities (net)\*

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
- Provision for taxation (Net of advance taxes ₹ 17,749.86 Lakhs, Previous year ₹ 17,243.92 Lakhs )	2,352.73	2,449.17
	<b>2,352.73</b>	<b>2,449.17</b>

\*Includes provision of ₹2489.81 Lacs (March 31,2023 ₹2489.81 Lacs) on account of some issues for which refund received by company as per assessment order of appellate authorities but Income Tax department is in appeal with higher authorities so company taking a conservative view has retained the provision in books as at March 31,2024.

## 26 Other current liabilities

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
- Withholding and other tax payables	201.89	60.24
- Trade deposits and advances	8.37	13.73
- Others liabilities	19.68	23.22
	<b>229.95</b>	<b>97.19</b>

## 27 Revenue from operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Finished Goods (Fibre & Tow)	29,685.30	42,455.84
Trading Goods (Vinyl Acetate Monomer)	-	161.51
Other Operating Revenue	62.51	49.10
Export Incentives	0.06	-
	<b>29,747.87</b>	<b>42,666.45</b>



# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 28 Other Income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on financial assets carried at amortized cost	12.57	13.45
Interest income on employee loans	0.15	0.41
Net Gain on sale of investment carried at fair value through Profit or loss (Net of fair valuation gain / loss upto previous years)	575.40	324.32
Net Gain on investments carried at fair value through profit or loss	626.28	461.59
Insurance claims received	20.30	48.67
Sundry balances/Liabilities / Provisions no longer required, written back (net).	22.61	26.78
Other non operating income	7.59	9.53
Profit on sale of Property, Plant and Equipment (Net)	4.17	2.36
Net foreign exchange gain	133.66	392.24
	<b>1,402.72</b>	<b>1,279.36</b>

## 29 Cost of Materials Consumed

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	1,971.82	1,012.96
Add : Purchases	18,410.89	28,714.15
	<b>20,382.71</b>	<b>29,727.11</b>
Less: inventory at the end of the year	842.28	1,971.82
Cost of raw material consumed	19,540.43	27,755.29
<b>Raw materials consumed (Major Heads)</b>		
Acrylonitrile *	17,414.75	23,907.35
Vinyl Acetate Monomer *	1,319.26	2,837.69
Others	806.42	1,010.25
	<b>19,540.43</b>	<b>27,755.29</b>

\* includes material sold

## 30 Purchases Of Stock-In-Trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Acrylonitrile / Vinyl Acetate Monomer	-	163.00
	<b>-</b>	<b>163.00</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 31 Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the beginning of the year		
Finished Goods	690.02	1,052.62
Work-in-Progress	632.33	623.91
	<b>1,322.35</b>	<b>1,676.53</b>
Less - Inventories at the end of the year		
Finished Goods	1,028.84	690.02
Work-in-Progress	494.75	632.33
	<b>1,523.58</b>	<b>1,322.35</b>
<b>Net (increase) / decrease in opening and closing stock</b>	<b>(201.24)</b>	<b>354.18</b>
	<b>(201.24)</b>	<b>354.18</b>
<b>Stock Particulars of Finished Goods</b>		
Fibre and Tow (MT)	712.72	409.46

## 32 Employee Benefits

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and other allowances	1,855.62	1,665.46
Amortization of Deferred Employee benefits	0.15	0.41
Contribution to Provident and other funds	103.31	95.51
Staff welfare expense	45.30	43.00
	<b>2,004.37</b>	<b>1,804.38</b>

## 33 Finance Costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest on		
- Working capital	1.99	1.64
- Others	6.01	0.30
Interest on lease liability	0.01	0.01
Other borrowing cost	20.67	26.80
	<b>28.67</b>	<b>28.75</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 34 Other Expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Power and fuel	3,798.75	5,575.73
Water charges	423.79	406.57
Consumption of stores and spares	410.15	572.72
Repair and maintenance		
- Machinery	712.76	645.45
- Building	83.00	54.50
- Other	17.14	10.12
Rates and taxes	412.00	360.13
Insurance	48.48	45.04
<b>Payment to auditor</b>		
Audit fee	3.00	3.00
Tax audit fee	0.50	0.50
Reimbursement of expenses	2.20	2.22
In other capacity	0.08	0.08
Legal and professional	32.04	19.74
Expected credit losses	0.78	3.53
Allowances for doubtful trade receivables	11.96	-
Bad debts written off	-	4.84
Excess provision Written off	0.15	0.13
Loss on discard of Property, Plant and Equipment	18.39	16.19
Loss on sale of stores and spares	7.93	-
Expenditure of CSR activities (refer note 45)	93.63	139.16
Allocation of common corporate expenses	82.99	83.94
Selling expenses	748.69	894.94
Miscellaneous expenses	171.89	143.30
	<b>7,080.30</b>	<b>8,981.82</b>

## 35. Contingent Liabilities and Commitments:

### A. Contingent Liabilities.

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>a. Claims against the Company not acknowledged as debts:</b>		
Sales tax, excise duty, vat etc*	42.34	42.34
Income-tax**	122.53	590.51

\* Amount deposited ₹2.62 Lakhs (31 March 2023 : ₹ 2.62 Lakhs)

\*\*Amount deposited ₹38.18 Lakhs (31 March 2023 : ₹ 22.26 Lakhs)

b. Liability on account of outstanding bank guarantees and letter of credit of ₹ 3814.27 Lakhs (previous year ₹ 1063.15 Lakhs).

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 35. Contingent Liabilities and Commitments: (Contd..)

- c. The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately or relate to a present obligations that arise from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate cannot be made. The Company has been advised that it has strong legal positions against such disputes.
- d. The Hon'ble Supreme Court in a ruling during the year 2019 had passed a judgment on the definition and scope of 'Basic Wages' under the Employees' Provident Funds and Miscellaneous Provision Act, 1952. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company, if any, cannot be ascertained. The Company will update its provision, on receiving further clarity on this subject matter.

### B. Commitments

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	99.22	40.46

- C. The details of dues of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company which have not been deposited as on 31 March 2024 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where Dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (₹ Lakhs)	Amount unpaid (₹ In Lakhs)
The Punjab VAT Act, 2005	VAT and CST	VAT Tribunal, Punjab	2016-17	10.47	7.85
The Finance Act, 1994	Service tax	Assistant Commissioner/ Superintendent	2005-06 To 2009-10 and 2016-17 to 2017-18	31.87	31.87
The Income Tax Act, 1961	Income Tax	Decided at ITAT	2013-14	1.79	1.79
The Income Tax Act, 1961	Income Tax	CIT(A)	2014-15, 2015-16, 2016-17, 2017-18, 2018- 19, 2020-21, 2022-23	120.74	82.56

\* Amount as per dispute/as per demand orders including interest and penalty wherever quantified in the Order

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits:

### 36.1 Defined Contribution Plans:

Amounts recognized in the statement of profit and loss are as under:

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Superannuation fund	-	-
Provident fund administered through Regional Provident Fund Commissioner	88.65	82.74
National Pension Scheme	14.40	12.77

The expenses incurred on account of the above defined contribution plans have been included in Note No. 32 "Employee Benefits Expenses" under the head "Contribution to provident and other funds"

### 36.2 Defined Benefit Plan:

The Company sponsors funded defined benefit plan for qualifying employees. This defined benefit plan of gratuity is administered by a separate trust that is legally separate from the entity. The trustees are required by the law to act in the interest of the trust and all the relevant stakeholders i.e. active employees, inactive employees, retired employees and employers, etc. The trust is responsible for investment policy with regard to the assets of the trust. The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972 or as per the Company's plan, whichever is more beneficial.

These plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

- i. Salary Risk** - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- ii. Investment Risk** - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- iii. Interest Risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the plan assets.
- iv. Longevity risk** - The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The following tables set out the funded status of the gratuity plan and the amounts recognized in the Company's financial statements as at 31 March 2024 and 31 March 2023.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd..)

- a. Movement in the present value of defined benefit obligations are as follows :

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Present value of defined benefit obligation, as at the beginning of the year	227.30	194.78
Current service cost	21.76	20.48
Interest cost	16.73	13.98
Actuarial (gain)/ loss	18.92	11.22
Actual Benefits paid	(9.45)	(13.16)
Past service cost including curtailment gains / losses	-	-
Present value of defined benefit obligation at the end of the year	275.26	227.30

- b. Movement in the fair value of the plan assets are as follows :

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Fair Value of Plan Assets, as at beginning of the year	237.39	234.87
Expected return on Plan Assets	17.47	16.86
Contribution by the employer	-	-
Withdrawal	(10.10)	(13.57)
Return on plan assets, greater/(lesser) than expected return	12.08	(0.78)
Actual Benefits Paid	-	-
Fair Value of Plan Assets, as at end of the year	256.84	237.38

- c. Net (liability) / assets recognized in balance sheet:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Present Value of the obligation at end of the year	275.26	227.30
Fair value of plan assets	256.84	237.38
Unfunded (Liability) / Assets in Balance Sheet	(18.42)	10.09

- d. Constitution of plan assets

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Quoted:</b>		
Corporate Bonds	78.86	78.86
Government of India Securities	-	-
State government/State government guaranteed securities	108.34	108.34
Mutual funds	59.99	46.08
<b>Unquoted:</b>		
Cash at bank and receivables	9.65	4.10
<b>Total plan assets</b>	<b>256.84</b>	<b>237.38</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd..)

### e. Amount recognized in statement of profit and loss

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Current service cost	21.76	20.48
Net Interest expense	(0.74)	(2.88)
Amount recognized in the Statement of Profit and Loss	21.02	17.60

The current service cost, past service cost and the net interest expenses for the year are included in Note 32 “Employee Benefits Expenses” under the head “Salaries and Wages”

### f. Amount recognized in Other Comprehensive Income (OCI):

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Actuarial (Gain)/Losses on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Losses on arising from Change in Financial Assumption	2.06	(2.45)
Actuarial (Gain)/Losses on arising from Experience Adjustment	16.87	13.67
Actuarial (gain)/losses arising for the year on assets	(12.08)	0.78
Amount recognized in OCI	6.85	12.00

### g. The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Discount Rate</b>		
0.50% Increase	(7.32)	(6.68)
0.50% decrease	7.80	7.12
<b>Future Salary increase</b>		
0.50% Increase	7.64	7.18
0.50% decrease	(7.23)	(6.79)

All other assumptions are considered constant.

As per Actuarial Certificate, sensitivities due to mortality and withdrawals are not material and hence impact of change has not been calculated.

There were no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 36. Disclosures as required by Indian Accounting Standard (Ind AS) 19 Employee Benefits: (Contd..)

### h. Maturity profile of Defined benefit Obligations:

Year	Amount
0 to 1 Year	75.70
1 to 2 Year	26.67
2 to 3 Year	15.16
3 to 4 Year	18.59
4 to 5 Year	24.63
5 to 6 Year	9.51
6 Year onwards	105.00

i. The average duration of the defined benefit plan obligation at the end of the reporting period is 12.41 years (31 March 2023: 12.70 years)

j. The expected contribution to the trust during the next year is ₹ 27.00 Lakhs (previous year ₹ 23.46 Lakhs).

k. The principal assumptions used for the purpose of the actuarial valuations are as follows:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Discount Rate (per annum)	7.22	7.36
Weighted average rate of increase in compensation levels	6.00	6.00
Retirement Age (Years)	58/60	58 /60
Method Used	<b>Projected Unit Credit Method</b>	<b>Projected Unit Credit Method</b>
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	5.00	5.00
From 31 to 44 years	5.00	5.00
Above 44 years	5.00	5.00

Mortality & Morbidity rates - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits.

### 36.3 Other long term employee benefit

(i) Amount recognised in profit and loss in Note No. 32 "Employee benefit expense" under the head

"Salaries, wages and other allowances" towards leave encashment is ₹ 26.62 Lakhs (Previous year ₹ 18.64 Lakhs).

(ii) The amount payable as at the end of the reporting period is as under:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Current	27.24	8.97
Non-Current	52.50	52.85



# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 37. Segment Information

The Company is primarily in the business of manufacturing, purchase and sale of “Acrylic Fibre and Tow. The Chairman and Managing Director of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company’s performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is only one reportable segment for the Company.

Revenue from operations

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Domestic	29,683.73	42,455.84
Overseas	1.57	-

Domestic information includes sales to customers located in India

Overseas information includes sales to customers located outside India.

Revenue from major customers

There are three customers (previous year three customers) that accounts for more than 10% of Company's revenue.

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
- Amount of sales	14,684.43	18,137.04

## 38. Related Party transactions:

In accordance with the requirements of IND AS 24, on “Related Party Disclosures”, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

Related party and their relationship:-

### (a) Key Management personnel

(i) Managing director	Mr. B. K. Choudhary
(ii) Whole Time Director	Mr. Vivek Gupta (w.e.f 01.11.2023)
	Ms. Parakh Oswal
	Mrs. Apinder Sodhi (upto 31.10.2023)
(iii) Non-executive directors and Independent Directors	Mr. Bhooshan Lal Uppal
	Mr. Anil Kumar
	Mr. Sandeep Kapur (w.e.f 01.08.2023)
	Mr. Sanjeev Jain (w.e.f 01.11.2023)
(iv) Non-executive directors and non-independent directors	Mr. Shri Paul Oswal
	Mr. Sachit Jain
(v) Chief Financial Officer	Mr. Vivek Gupta (upto 31.10.2023)
	Mr. Raish Shaikh (w.e.f 01.11.2023)
(vi) Company secretary	Mr. Satin Katyal

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 38. Related Party transactions: (Contd..)

### b) Other related parties

S.No.	Nature of	Name of related party
1	Holding Company	Vardhman Textiles Limited
2	Fellow Subsidiaries	VTL Investments Limited
3	Associates of Holding Company	Vardhman Yarns & Threads Limited Vardhman Spinning and General Mills Limited Vardhman Special Steels Limited

### (c) Post-Employment Benefit Plans Trust Val Gratuity Trust Fund

#### Transactions with related parties.

Sr. No.	Particulars	Holding Company		Fellow Subsidiaries.		Key Management Personnel (KMP)		Others		Total	
		For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
1	Sale of goods (Net of discount)	10,720.52	15,322.94	-	-	-	-	-	-	10,720.52	15,322.94
2	Purchase of goods	66.40	10.77	-	-	-	-	-	-	66.40	10.77
3	Purchase of RODTEP License	248.58	334.69	-	-	-	-	-	-	248.58	334.69
4	Reimbursement of Common Corporate Expense (Exclu. Tax)	75.97	75.97	-	-	-	-	-	-	75.97	75.97
5	Interest Received from ICDs and Current account balances	-	-	-	-	-	-	-	-	-	-
6	Dividend Paid	1421.28	-	1.76	-	-	-	83.19	-	1506.23	-
7	***Contractual remuneration	-	-	-	-	175.16	191.29	-	-	175.16	191.29
7(a)	***Contractual remuneration outstanding as on last day of financial year	-	-	-	-	19.80	23.00	-	-	19.80	23.00
8	Reimbursement of Exp. Paid	0.60	0.41	-	-	-	-	-	-	0.60	0.41
9	Reimbursement of Exp. Received	0.24	-	-	-	-	-	-	-	0.24	-
10	Contribution to Employee Benefit Trust	-	-	-	-	-	-	-	-	-	-
11	Withdrawal from Employee Benefit Trust	-	-	-	-	-	-	10.10	13.57	10.10	13.57

\*\*\* As the liabilities for gratuity, compensated absences are provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel has not been included.

\*\*\* Also includes sitting fees to non-executive directors.

\*\*\* The Amount excludes provision for employee benefits but includes sitting fees paid / payable to non-executive directors. Perquisites values are considered as per the provisions of Income tax act, 1961.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 38. Related Party transactions: (Contd..)

Outstanding Balances of Related parties

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Receivables	150.57	150.11
Payables	NIL	NIL
<b>Total</b>	<b>150.57</b>	<b>150.11</b>

## 39. Disclosures as required by Indian Accounting Standard (Ind AS) 116 “Leases”:-

The Company has lease contracts for Land. Leases of land have lease terms of 99 years. The Company’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

(a) Following are the changes in the carrying value of right of use assets for the year ended 31 March 2024:

Particulars	Land
Balance as on 01 April 2023	1100.90
Addition	26.78
Deletion	-
Depreciation	(15.50)
<b>Balance as on 31 March 2024</b>	<b>1112.18</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

(b) The following is the break-up of current and non-current lease liabilities as at 31 March 2024:

Particulars	Amount (in Lakhs)
Current lease liabilities	-
Non-Current lease liabilities	0.08
<b>Total</b>	<b>0.08</b>

(c) Following is the movement in lease liabilities during the year ended 31 March 2024:

Particulars	Amount (in Lakhs)
<b>Balance at the beginning of the year</b>	0.08
Finance cost accrued during the year	0.01
Payment of lease liabilities	(0.01)
<b>Balance at the end of the year</b>	<b>0.08</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 39. Disclosures as required by Indian Accounting Standard (Ind AS) 116 “Leases”:- (Contd..)

(d) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2024 on an undiscounted basis:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Less than one year	15.78	15.43
One to five years	63.11	61.73
More than five years	1033.29	1023.74
<b>Total</b>	<b>1112.18</b>	<b>1100.90</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(e) The following are the amounts recognised in statement of profit and loss:

Particulars	Amount (in Lakhs)
Depreciation Expenses on Right of use Assets	15.50
Interest expense on lease liabilities	0.01
<b>Total Amount Recognised in Profit and Loss</b>	<b>15.51</b>

## 40. Earning Per Share

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Basic earnings per share (INR)	2.18	4.09
Diluted earnings per share (INR)	2.18	4.09
Profit attributable to the equity holders of the Company used in calculating basic earning per share (₹in Lakhs)	1753.53	3285.79
Weighted average number of equity shares for the purpose of basic earning per share (numbers)	80,363,746	80,363,746
Profit attributable to the equity holders of the Company used in calculating dilutive earning per share (₹in Lakhs)	1753.53	3285.79
Weighted average number of equity shares for the purpose of dilutive earning per share (numbers)	80,363,746	80,363,746

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity, if any.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 41. Income Tax:

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet.

### 41.1. Deferred tax liabilities (Net)

2023-24	Opening Balance	Recognised in Profit or Loss being opening adjustment to change in tax rate	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>A. Deferred tax assets</b>					
Expenses deductible in future years	37.48		-	-	37.48
Others	12.09	8.50	3.60		24.19
<b>Total</b>	<b>49.57</b>	<b>8.50</b>	<b>3.60</b>	<b>-</b>	<b>61.67</b>
<b>B. Deferred tax liabilities</b>					
Property, plant and equipment and Intangible assets	(646.98)		59.40		(587.58)
Investment in bonds, mutual funds and equity instruments	(66.40)		(45.50)	-	(111.90)
Others	(32.48)		(1.14)	-	(33.62)
<b>Total</b>	<b>(745.86)</b>		<b>12.76</b>	<b>-</b>	<b>(733.10)</b>
<b>Net deferred tax liabilities</b>	<b>(696.29)</b>	<b>8.50</b>	<b>16.36</b>	<b>-</b>	<b>(671.43)</b>

2022-23	Opening Balance	Recognised in Profit or Loss being opening adjustment to change in tax rate	Recognised in profit or loss	Recognised in OCI	Closing Balance
<b>A. Deferred tax assets</b>					
Expenses deductible in future years	37.48		-	-	37.48
Others	3.79	5.03	3.27		12.09
<b>Total</b>	<b>41.27</b>	<b>5.03</b>	<b>3.27</b>	<b>-</b>	<b>49.57</b>
<b>B. Deferred tax liabilities</b>					
Property, plant and equipment and Intangible assets	(722.55)		75.57		(646.98)
Investment in bonds, mutual funds and equity instruments	(35.14)		(31.26)	-	(66.40)
Others	(39.87)		7.39	-	(32.48)
<b>Total</b>	<b>(797.56)</b>		<b>51.70</b>	<b>-</b>	<b>(745.86)</b>
<b>Net deferred tax liabilities</b>	<b>(756.29)</b>	<b>5.03</b>	<b>54.97</b>	<b>-</b>	<b>(696.29)</b>

**Note:** Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 41. Income Tax: (Contd..)

### 41.2 Income tax recognised in profit or loss

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
<b>Current tax</b>		
In respect of the current year	411.03	1084.01
<b>Deferred tax</b>		
In respect of the current year	(24.87)	(59.99)
<b>Total income tax expense recognised</b>	<b>386.16</b>	<b>1024.02</b>

The income tax expense for the year can be reconciled to the accounting profit as follows

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Profit before tax	2135.04	4309.81
Tax at the Indian Tax Rate of 25.168% / 25.168 %	537.35	1084.69
Differential tax rate on capital gain on sale of investments/ fair valuation on investment	(164.88)	(98.98)
Effect of expenses that are not deductible in determining taxable profit	25.66	36.56
Deferred tax adjustments earlier year due to change in tax rate.	(8.50)	(5.03)
Others	(3.46)	6.77
<b>Total</b>	<b>386.16</b>	<b>1024.02</b>
Current tax	411.03	1084.01
Deferred tax	(24.87)	(59.99)
<b>Total tax provided</b>	<b>386.16</b>	<b>1024.02</b>

### 41.3 Income tax recognised in other comprehensive income

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
<b>Arising on income and expenses recognised in other comprehensive income</b>		
Net fair value gain on investment in equity shares at FVTOCI	-	-
Remeasurement of defined benefit obligation	1.72	3.02
<b>Total income tax recognised in other comprehensive income</b>	<b>1.72</b>	<b>3.02</b>

## 42. Financial Instruments and Risk Management

### 42 (a) Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's gearing ratio was as follows:

The following table provides detail of the debts and equity at the end of the reporting years:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Borrowings	113.58	33.78
Cash and cash equivalent	357.79	368.85
Net Debt	(244.21)	(335.07)
Total Equity	24,297.48	24,535.26
<b>Net debt to equity ratio</b>	-	-

### 42 (b) Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 March 2024 are as follows:

Particulars	Amortized cost	FVTPL	FVTOCI	Total carrying cost	Total fair value
<b>Financial Assets:</b>					
Cash and cash equivalents	357.79	-	-	357.79	357.79
Investments	-	16556.35	329.83	16,886.18	16,886.18
Trade receivables	1,624.38	-	-	1,624.38	1,624.38
Loans	4.34	-	-	4.34	4.34
Other financial assets	53.01	-	-	53.01	53.01
<b>Total</b>	<b>2039.52</b>	<b>16556.35</b>	<b>329.83</b>	<b>18925.70</b>	<b>18925.70</b>
<b>Financial Liabilities:</b>					
Trade payables	4,288.97	-	-	4,288.97	4,288.97
Short Term Borrowings	113.58	-	-	113.58	113.58
Other financial liabilities	717.09	-	-	717.09	717.09
<b>Total</b>	<b>5,119.64</b>	-	-	<b>5,119.64</b>	<b>5,119.64</b>

The carrying value and fair value of financial instruments by categories as at 31 March 2023 are as follows:

Particulars	Amortized cost	FVTPL	FVTOCI	Total carrying cost	Total fair value
Financial Assets:					
Cash and cash equivalents	368.85	-	-	368.85	368.85
Investments	-	16,856.37	306.93	17,163.30	17,163.30
Trade receivables	1,340.49	-	-	1,340.49	1,340.49
Loans	7.06	-	-	7.06	7.06
Other financial assets	39.32	-	-	39.32	39.32
<b>Total</b>	<b>1,755.72</b>	<b>16,856.37</b>	<b>306.93</b>	<b>18919.02</b>	<b>18919.02</b>

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

Particulars	Amortized cost	FVTPL	FVTOCI	Total carrying cost	Total fair value
<b>Financial Liabilities:</b>					
Trade payables	5,415.77	-	-	5,415.77	5,415.77
Short Term Borrowings	33.78	-	-	33.78	33.78
Other financial liabilities	917.04	-	-	917.04	917.04
<b>Total</b>	<b>6,366.59</b>	<b>-</b>	<b>-</b>	<b>6,366.59</b>	<b>6,366.59</b>

Carrying value of the financial assets and financial liabilities designated at amortised cost approximates its fair value.

### Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

#### As at 31 March 2024

Financial Assets	Level 1	Level 2	Level 3	Total
Investments in Mutual Funds/ Bonds	-	16,556.35	-	16,556.35
Investments in Quoted Equity Instruments	-	-	-	-
Investments in Unquoted Equity Instruments	-	-	329.83	329.83
Foreign Currency forward contracts	-	5.65	-	5.65
<b>Total</b>		<b>16,562.00</b>	<b>329.83</b>	<b>16,891.83</b>
<b>Financial Liabilities</b>				
Foreign Currency forward contracts	-	-	-	-

#### As at 31 March 2023

Financial Assets	Level 1	Level 2	Level 3	Total
Investments in Mutual Funds/ Bonds/ Preference Shares	-	16,856.37	-	16,856.37
Investments in Quoted Equity Instruments	-	-	-	-
Investments in Unquoted Equity Instruments	-	-	306.93	306.93
Foreign Currency forward contracts	-	-	-	-
<b>Total</b>		<b>16,856.37</b>	<b>306.93</b>	<b>17,163.30</b>
<b>Financial Liabilities</b>				
Foreign Currency forward contracts	-	42.33	-	-

#### Level 1:

Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market.

#### Level 2:

Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly.



# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

### Level 3:

Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data.

Sensitivity of Level 3 financial instruments are insignificant.

The fair value of the financial instruments are determined at the amount that would be received to sell an asset in an orderly transaction between market participants.

The following methods and assumptions were used to estimate the fair values:

Investments in mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e. net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Investment in preference shares: Fair value is determined by reference to quotes from fund houses/portfolio management services companies/respective issuer of preference shares, i.e. value of investments.

Derivative contracts: The Company has entered into various foreign currency contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data, i.e., mark to market values determined by the Authorized Dealers Banks.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of net asset value approach, in this approach the net asset value is used to capture the fair value of these investments.

Reconciliation of Level 3 fair value measurements

Particulars	Unlisted equity instruments
<b>As at 01 April 2022</b>	<b>280.25</b>
Purchases	-
Gain/ (loss) recognised in OCI	26.69
<b>As at 31 March 2023</b>	<b>306.94</b>
Purchases	-
Gain/ (loss) recognised in OCI	22.90
<b>As at 31 March 2024</b>	<b>329.84</b>

### Financial risk management

The financial assets of the company include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations.

The principal financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

The company is mainly exposed to the following risks that arise from financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

### (i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and investment risk.

#### (a) Foreign currency risk

The company imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognised assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The Company uses foreign exchange forward contracts/options to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting periods expressed in foreign currency are as follows:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>a) Exposure on account of Financial Assets</b>		
<b>Trade receivables (A)</b>		
- In USD	-	-
- In Euro	-	-
- In JPY	-	-
<b>Amount hedged through derivate forwards contracts (B)</b>		
- In USD	-	-
- In Euro	-	-
- In JPY	-	-
<b>Net Exposure to Foreign Currency Assets C=A-B</b>		
- In USD	-	-
- In Euro	-	-
- In JPY	-	-

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>b) Exposure on account of Financial Liabilities</b>		
<b>Trade Payables and Loans (D)</b>		
- In USD	47.94	61.30
- In Euro	-	0.02
- In JPY	-	-
<b>Amount Hedged through derivative forward contracts (E)</b>		
- In USD	(48.34)	(60.53)
- In Euro	-	-
- In JPY	-	-
<b>Net Exposure to Foreign Currency Liabilities (F=D-E)</b>		
- In USD	-	0.77
- In Euro	-	0.02
- In JPY	-	-
<b>Net Exposure to Foreign Currency(F-C)</b>		
- In USD	-	0.77
- In Euro	-	0.02
- In JPY	-	-

# Company uses derivative financial instruments exclusively for import of raw material

The following significant exchange rates applied during the year:

Particulars	2023-24 (Average exchange rate)	2022-23 (Average exchange rate)	2023-24 (Year end rates)	2022-23 (Year end rates)
INR/USD	82.79	80.37	83.41	82.18
INR/EURO	83.66	83.69	90.04	89.37
INR/JPY	0.57	0.59	0.55	0.62

### Foreign currency sensitivity analysis

Any changes in the exchange rate of EURO and USD against INR is not expected to have significant impact on the Company's profit or equity due to the less exposure of these currencies. Accordingly, a 10% appreciation/depreciation of the INR as indicated below, against the EURO and USD would have increased/reduced profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant:

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
10% Strengthening/weakening of EURO against INR	-	0.19

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

### Foreign exchange derivative contracts

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The company's Corporate Treasury team measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency cash flows by appropriately hedging the transactions. When a derivative is entered into for the purpose of being a hedge, the company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign currency forward held by the company to mitigate the risk of changes in exchange rates on foreign currency exposures.

Particulars	No. of deals	As at	No. of deals	As at
		31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023
Contracts against Import				
- In USD	12	67.88	11	61.35
- In EUR	-	-	-	-
- In JPY	-	-	1	19.67

Sensitivity on the above derivative contracts in respect of foreign currency exposure is insignificant.

### (b) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	Carrying amount (INR In Lakhs)	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Variable rate instruments		
Short term borrowings	113.58	33.78

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

### Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

Particulars	For the year ended 31 <sup>st</sup> March 2024 If loans interest rate Increase/ decrease by 1%	For the year ended 31 <sup>st</sup> March 2023 If loans interest rate Increase/ decrease by 1%
Increase/ (decrease) in profit before tax by	1.14	0.34

### (c) Security Price Risk Management

#### Exposure in equity

The Company is exposed to equity price risks arising from equity investments held by the Company and classified in the balance sheet as fair value through OCI.

#### Equity price sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks at the end of the year.

If the equity prices had been 5% higher / lower:

Other comprehensive income for 31<sup>st</sup> March 2024 would increase / decrease by ₹ 16.49 Lakhs (31 March 2023: increase / decrease by ₹ 15.35 Lakhs) as a result of the change in fair value of equity investment measured at FVTOCI.

#### Exposure in mutual funds

The Company manages the surplus funds majorly through investments in debt based mutual fund schemes. The price of investment in these mutual fund schemes is reflected through Net Asset Value (NAV) declared by the Asset Management Company on daily basis as reflected by the movement in the NAV of invested schemes. The Company is exposed to price risk on such Investments.

#### Mutual fund/Preference share price sensitivity analysis

The sensitivity analysis below have been determined based on Mutual Fund Investment at the end of the year. If NAV has been 1% higher / lower:

Profit for the year ended 31 March 2024 would increase / decrease by ₹ 165.56 Lakhs (31 March 2023 by ₹ 168.56 Lakhs) as a result of the changes in fair value of mutual fund investments.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

### (ii) Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and marketable securities to meet the obligations as and when fall due. The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

The table below analyses the Company's financial liabilities and financial assets into relevant maturity groupings based on their contractual maturities:

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Borrowings</b>		
Less than 1 year	113.58	33.78
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
<b>Trade Payables</b>		
Less than 1 year	4288.97	5415.77
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
<b>Other Financial liabilities</b>		
Less than 1 year	717.09	917.04
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-

### Financial Assets

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Investments</b>		
Less than 1 year	7,945.26	8,833.02
More than 1 year and upto 3 years	8,611.08	2747.53
More than 3 year and upto 5 years	-	5275.83
More than 5 years	329.83	306.93
<b>Trade Receivables</b>		
Less than 1 year	1624.38	1,340.49
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Cash and cash equivalents</b>		
Less than 1 year	357.79	368.85
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
<b>Bank/FDR's balances other than above</b>		
Less than 1 year		
More than 1 year and upto 3 years	35.77	25.79
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
<b>Loans</b>		
Less than 1 year	3.85	4.16
More than 1 year and upto 3 years	0.49	2.91
More than 3 year and upto 5 years	-	-
More than 5 years	-	-
<b>Other financial assets</b>		
Less than 1 year	17.24	13.54
More than 1 year and upto 3 years	-	-
More than 3 year and upto 5 years	-	-
More than 5 years	-	-

### (iii) Credit Risk Management

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, bonds, fixed maturity plan etc. issued by institutions having proven track record.

The company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 42. Financial Instruments and Risk Management (Contd..)

The movement in creditors allowance on trade receivables is as follows:

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
<b>(a) Revenue from top five customers</b>		
- Amount of sales	19,227.69	25,581.91
- % of total sales	64.64%	59.96%
<b>(b) Financial assets for which loss allowance, measured</b>		
- Trade Receivables	-	-
Loss allowance is as follows:		
<b>(c) Opening Balance</b>	3.53	4.84
Provided during the year	12.74	3.53
Reversed during the year	-	(4.84)
<b>Closing Balance</b>	<b>16.27</b>	<b>3.53</b>

Other than financial assets mentioned above, none of the Company's financial assets are either impaired, and there were no indications that defaults in payment obligations would occur.

### Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

**43.** In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

**44.** The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified from the available information:

Sr no.	Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
(i)	Principal amount remaining unpaid	26.91	71.13
(ii)	Interest due thereon remaining unpaid	-	-
(iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of payment made to the supplier beyond the appointed day during the period	-	-
(iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
(v)	Interest accrued and remaining unpaid	-	-
(vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-



# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 45. Expenditure incurred on Corporate Social Responsibility.

As per section 135 of the Companies Act, 2013, a company meeting the applicable threshold, need to spend at least 2% of the average net profit for the immediate preceding three financial years on CSR activities as defined in Schedule VII of the Companies Act 2013.

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
a. Amount required to be spent by the company during the year,	70.11	70.90
b. Amount of expenditure incurred:*	110.02	147.41
a. Shortfall at the end of the year	Nil	Nil
b. Total of previous years shortfall	Nil	Nil
c. Related party transactions:	Nil	Nil

\*Nature of CSR activities:

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
a) Promoting Education	89.27	102.75
b) Promoting Healthcare	-	14.46
c) Rural Development Projects	20.75	30.20
<b>Total</b>	<b>110.02</b>	<b>147.41</b>

## 46. A. Disclosure under Ind AS 115 "Revenue from Contracts with Customers"

Disaggregated revenue information:

The table below presents disaggregated revenues from contract with customers using the existing segment and timing of transfer of goods is adequate for its circumstances.

The companies believes the disaggregation best depicts how the nature, amount and timing and uncertain of revenue and cash flows are affected.

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
<b>Revenue from contract with customers</b>		
Sale of products		
Finished Goods (Fibre & Tow)	29,685.30	42,455.84
Raw Materials (Acrylonitrile & Vinyl Acetate Monomer)	-	161.51
<b>Other Operating revenue</b>		
Scrap Sales	62.51	49.11

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 46. A. Disclosure under Ind AS 115 "Revenue from Contracts with Customers" (Contd..)

Disaggregated revenue information

Disaggregation of revenue based on product	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
Revenue from Acrylic Fibre and Tow	29,685.30	42,455.84
Revenue from Trading Goods (Acrylonitrile and VAM)	-	161.51
<b>Total Revenue from Operations</b>	<b>29,685.30</b>	<b>42,617.35</b>
<b>Revenue by location of customers</b>		
Revenue from Customers based in India	29,683.73	42,617.35
Revenue from Customers based outside India	1.57	-
<b>Total Revenue from Contracts with Customers</b>	<b>29,685.30</b>	<b>42,617.35</b>
<b>Timing of Revenue Recognition</b>		
Goods transferred to customers at a point in time	29,685.30	42,617.35
Goods transferred to customers over time	-	-
<b>Total Revenue from Operations</b>	<b>29,685.30</b>	<b>42,617.35</b>

### b. Trade receivables and contract balances –

The company classifies the right to consideration in exchange for deliverables as Trade receivables.

The balances of trade receivables at the beginning and end of reporting period have been disclosed at Note no. 10

Trade receivables are presented net of impairment in the Balance sheet.

Contract Liabilities includes advances received from customers to deliver goods.

The amount of revenue recognized during the year that was included in contract liabilities at the beginning of the year is ₹ 8.37 Lakhs (previous year ₹ 13.73 Lakhs).

The revenue of ₹ Nil has been recognized during the period ended 31 March 2024 (Previous year- Nil) against performance obligations satisfied (or partially satisfied) in previous period.

### c. Reconciliation of the amount of revenue recognized in the statement of Profit and Loss with contract price

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
<b>Revenue as per Contract Price</b>	29,900.61	42,275.71
<b>Less : Adjustments</b>		
Sale Return	22.72	
Discount	192.59	341.64
	<b>29,685.30</b>	<b>42,617.35</b>

### d. Performance obligation

**Sale of goods:** Performance obligation in respect of sale of goods is satisfied when control of goods is transferred to customer, generally on delivery of goods satisfied at a point in time and payment is generally due as per terms of contract with customer (5 day in case of domestic; 90 days in against letter of credit).

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 46. A. Disclosure under Ind AS 115 "Revenue from Contracts with Customers" (Contd..)

### f. Remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Particulars	For the year ended 31 <sup>st</sup> March 2024	For the year ended 31 <sup>st</sup> March 2023
The aggregate value of performance obligations that are completely or partially unsatisfied as at end of reporting period	NIL	NIL

## 46. B. Assets pledged as Security:-

The Carrying amount of assets pledged as security for current borrowings are as follows:-

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Non-Current Investments</b>		
*Nil (31 March 2023: Nil)	-	-
<b>Total Assets Pledged as Security</b>	-	-

## 46. C. Reconciliation of changes in liabilities arising from financing activities including both changes arising from cash flow and non-cash changes as per the requirement of Ind AS-7 'Statement of Cash Flows'.

Particulars	Year ended 31 March 2024		Year ended 31 March 2023	
	Current Borrowings	Non-current Borrowings (incl. current maturities)	Current Borrowings	Non-current Borrowings (incl. current maturities)
<b>Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement</b>	<b>33.78</b>	-	<b>278.40</b>	-
Changes during the year				
a) Changes from financing cash flow	79.80	-	(244.62)	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-	-	-
c) the effect of changes in foreign exchanges rates- (Gain)/Loss	-	-	-	-
d) Changes in fair value	-	-	-	-
e) Other Changes	-	-	-	-
<b>Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement</b>	<b>113.58</b>	-	<b>33.78</b>	-

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

**47.** The Code on Social Security 2020 has been notified in the Official Gazette on 29<sup>th</sup> September 2020. The effective date from which the changes are applicable is yet to be notified. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective.

## 48. Ratios:

Particulars	Numerator	Denominator	31/03/2024	31/03/2023	%age change	Remarks
(a) Current Ratio	Current Assets	Current Liabilities	2.33	2.23	4.60%	
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.005	0.001	80%	Refer note (i)
(c) Debt-service coverage ratio	Earnings available for debt service: = Net profit after taxes + Depreciation/ amortizations + finance cost	Debt Service: = Finance cost & lease payments + principal repayments	82.43	131.86	-37.49%	Refer note (ii)
(d) Return on equity ratio	Net profits after taxes	Average shareholder's equity	7.22%	13.39%	-46.11%	Refer note (iii)
(e) Inventory turnover ratio	Revenue from operations	Average Inventory	3.76	5.33	-29.44%	Refer note (iv)
(f) Trade receivables turnover ratio	Revenue from operations	Average Trade receivables	20.07	35.60	-43.63%	Refer note (v)
(g) Trade payables turnover ratio	Total purchases	Average Trade payables	5.07	6.34	-20.05%	
(h) Net Capital turnover ratio	Revenue from operations	Working Capital = Current Assets - Current Liabilities	2.83	3.85	-26.68%	Refer note (vi)
(i) Net Profit ratio	Net profits after taxes	Revenue from operations	5.89%	7.70%	-23.46%	
(j) Return on capital employed	Earnings before interest and taxes	Capital Employed	8.63%	17.17%	-49.76%	Refer note (viii)
(k) Return on investment	Interest on Fixed deposits + Profit on sale of investments + Fair valuation gain on investments	Average Investment	7.11%	5.15%	38.04%	Refer note (vii)

Remarks for more than 25 % change in ratios of FY 2023-24 as compared to FY 2022-23:

- Debt Equity ratio is higher as compared to previous year mainly due to lower profit of 15.32 cr & current year dividend paid of 20.09 Cr. Although higher utilisation of cash credit limit 0.79 Cr.
- This ratio has decreased as compared to previous year, mainly on account of lower earnings by ₹15.16 cr. Lower earnings are on account of market condition, as compared to previous year where there was normal market condition. Production was interrupted for 37 days due to market condition and lower margin.

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

## 48. Ratios: (Contd..)

- iii) Return on equity ratio has decreased as compared to previous year, mainly on account of lower earnings by ₹15.32 cr. Lower earnings are on account of market condition, as compared to previous year where there was normal market condition. Production was interrupted for 37 days due to market condition and lower margin.
- iv) Inventory turnover ratio has decreased as compared to previous year, mainly on account of lower revenue from sales by ₹129.19 cr. Lower revenue are on account of lower sales due to market condition as well as lower sales realization based on raw material prices.
- v) Trade receivables turnover ratio has decreased as compared to previous year, mainly on account of lower revenue from sales by ₹129.19 cr. Lower revenue are on account of lower sales due to market condition as well as lower sales realization based on raw material prices. However, there is a increase in Trade receivables by ₹2.84 cr as compared to previous year, but decrease is mainly due to lower revenue from sales.
- vi) Net Capital turnover ratio has decreased as compared to previous year, mainly on account of lower revenue from sales by ₹129.19 cr. Lower revenue are on account of lower sales due to market condition as well as lower sales realization based on raw material prices. However, net working capital for both periods remained more or less same.
- vii) Return on capital employed is lower, mainly on account of lower profits (EBIT) by ₹21.75 cr. Profits are lower, as 2023-24 was not a normal year compared to 2022-23. FY 2023-24 was affected with sluggish demand and accordingly plant was shut due to sales plan not available.
- viii) Return on investment is higher, mainly on account of higher income by ₹4.15 cr. Income on investments such as mutual funds are higher on account of uprising stock markets. Also there has been increase in investments by ₹16.07 cr as compared to previous year, which also contributed to higher income.

**49.** The company does not have any Benami property, where any proceeding have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

**50.** The company has not been declared as willful defaulter by any bank or financial Institution or other lender.

**51.** The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**52.** The company does not have any such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**53.** The company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

# Notes to Financial Statement

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ lakhs, unless otherwise stated)

- (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 54.** The company has not received any fund from any person or entity, including foreign entities (Funding parties) with the understanding (whether recorded in writing or otherwise) that the company shall:
- (a) directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- 55.** The Company has not traded or invested in Crypto currency or Virtual Currency, during the financial year.
- 56.** There are no loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:
- (a) repayable on demand; or
  - (b) without specifying any terms or period of repayment.
- 57.** The company has taken unsecured borrowings from banks (No security provided). The quarterly returns/statements are not required to be filed by the company with the banks.
- 58.** The company does not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 59.** Previous year figures in the financial statements, including the notes thereto, have been reclassified wherever required to confirm to the current year presentation/classification.

For and on behalf of the Board of Directors of  
**Vardhman Acrylics Limited**

**Satin Katyal**

Company Secretary  
Membership No:-A40578  
Place: Ludhiana  
Date: 04-May-2024

**Raish Shaikh**

Chief Financial Officer  
Place: Jhagadia  
Date: 04-May-2024

**Vivek Gupta**

Whole Time Director  
DIN:10366909  
Place: Gurugram  
Date: 04-May-2024

**S.P. Oswal**

Chairman  
DIN: 00121737  
Place: Ludhiana  
Date: 04-May-2024





**Vardhmān**

**VARDHMAN ACRYLICS LIMITED**

CHANDIGARH ROAD, LUDHIANA - 141010  
CIN: L51491PB1990PLC019212

