



Vardhmān

Vardhmān Acrylics Limited

BOARD OF DIRECTORS

Mr. Shri Paul Oswal

Chairman

Mr. Sachit Jain

Mr. Darshan Lal Sharma

Mr. Munish Chandra Gupta

Mr. Sanjit Paul Singh

Ms. Geeta Mathur

Mr. Surinder Kumar Bansal

Mr. Bal Krishan Choudhary

Independent Directors

Managing Director

CHIEF FINANCIAL OFFICER

Mr. Vivek Gupta

COMPANY SECRETARY

Ms. Ruchita Vij

AUDITORS

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

BANKERS

State Bank of Patiala
ICICI Bank Limited

REGISTRAR AND TRANSFER AGENT

M/s. MCS Share Transfer Agent Limited
Kolkata

REGISTERED & CORPORATE OFFICE

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

BUSINESS OFFICE

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

WORKS

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

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Friday, the 4th day of September, 2015 at 03.00 p.m. at Regd. Office, Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Balance Sheet as at 31st March, 2015 and statement of Profit & Loss Account for the year ended on that date together with the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. D. L. Sharma, who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the appointment of Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. S.S. Kothari Mehta & Co., Chartered Accountants, (Registration No. 000756N) as Statutory Auditors of the Company, be and is hereby ratified for the Financial Year 2015-16 at such remuneration as may be finalised by the Chairman of the Company."

SPECIAL BUSINESS:

ITEM NO. 5

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

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

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the remuneration of Mr. R.A. Mehta, Cost Auditors of the Company, for the Financial Year ending 31st March, 2016, be and is hereby ratified at ₹ 45,000/- (excluding Service Tax and out of pocket expenses) and other terms and conditions as mutually agreed by the Cost Auditors and Managing Director of the Company.

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

ITEM NO. 6

TO CONSIDER TO INCREASE THE SITTING FEES PAYABLE TO THE 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 provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013

and subject to the approval of the members of the Company, the amount of the sitting fee payable to Directors be increased from ₹ 20,000/- to ₹ 25,000/- attending each meeting of the Board of Directors.

RESOLVED FURTHER THAT the amount of sitting fee payable to Directors be increased from ₹ 15,000/- to ₹ 20,000/- for attending each meeting of the Committee of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

ITEM NO. 7

TO ENTER INTO RELATED PARTY TRANSACTIONS:

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 Clause 49(VII)-E of the Amended Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Members be and is hereby accorded for entering into contracts i.e. material transactions with related party as mentioned in the Statement annexed to the notice, the copy of which is laid before the meeting and initialled by the chairman for the purpose of identification, be and is hereby approved.

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 no 16 of the Companies (Meeting of Board and its Powers) Rules 2014, Ms. Ruchita Vij, Company Secretary of the Company, be and is hereby authorized to do the necessary entries in the Register of contracts or arrangements in which directors are interested and authenticate them.

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

BY ORDER OF THE BOARD

PLACE: Gurgaon
DATE: July 28, 2015

Sd/-
(Ruchita Vij)
COMPANY SECRETARY

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. THE BLANK PROXY FORM IS ENCLOSED.

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

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item Nos. 5 to 7 is annexed hereto and forms part of the Notice.
 3. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Clause 35B of the Listing Agreement, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting, shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice.
 4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
 6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 7. Subject to the provisions of Section 126 of the Companies Act, 2013 (corresponding to Section 206A of the Companies Act, 1956), dividend as recommended by the Board of Directors, if declared at the meeting, will be dispatched/remitted commencing on or from 7th September, 2015.
 8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/MCS Share Transfer Agent Limited.
 9. **The Register of Members and the Share Transfer Books of the Company shall remain closed from 7th August, 2015 to 4th September, 2015 (both days inclusive).**
 10. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
 11. The information pursuant to Corporate Governance Clause of the Listing Agreement(s) regarding the Directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item Nos. 3 of the Notice is also being annexed hereto separately and forms part of the Notice.
 12. Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
 13. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
 14. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
 15. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
 16. M/s. B.K. Gupta & Associates, Company Secretaries have been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e-voting process). The scrutinizer shall within a period of three working days from the conclusion of e-voting period, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The instructions for shareholders voting electronically are as under:**
- (i) The e-voting period commences on 1st September, 2015 (9:00 am) and ends on 3rd September, 2015 (5:00 pm). During this period, shareholder's of the Company, holding shares either in physical form or in De-materialized form, as on the cut-off date of 27th August, 2015 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting after end of voting period on 3rd September, 2015. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The e-voting module shall be disabled by CDSL for voting thereafter
 - (ii) The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period
 - (iii) Click on "Shareholders" tab.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letter Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 no. (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN **150801003 <VARDHMAN ACRYLICS LIMITED>** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "**CONFIRM**" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details, they have to create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts, they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com** under help section or write an email to **helpdesk.evoting@cdslindia.com**

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

INFORMATION PURSUANT TO THE CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S) REGARDING DIRECTORS SEEKING RE-APPOINTMENT IN THE NEXT ANNUAL GENERAL MEETING.

Name of the Director	Mr. D.L. Sharma
Date of Birth	10.11.1948
Date of Appointment	24.12.1990
Expertise in specific functional area	Business Executive having experience of more than 38 years in Textile and sewing Thread Business.
Qualification	B.Sc. (Engg.), M.B.A.
Directorships of Other Companies	<ol style="list-style-type: none"> 1. Vardhman Yarns and Threads Limited 2. Vardhman Textiles Limited 3. Vardhman Nisshinbo Garments Company Limited 4. VTL Investments Limited 5. VMT Spinning Company Limited 6. Ralson (India) Limited 7. Delux Fabrics Limited 8. The Cotton Textiles Export Promotion Council
Chairman/Member of Committees of Other Companies	<ol style="list-style-type: none"> 1. Audit Committee <ul style="list-style-type: none"> ➤ Vardhman Textiles Limited ➤ VMT Spinning Company Limited ➤ Vardhman Yarns and Threads Limited ➤ Ralson(India) Limited 2. Corporate Social Responsibility Committee <ul style="list-style-type: none"> ➤ Vardhman Textiles Limited ➤ Ralson (India) Limited 3. Stakeholder's Relationship Committee <ul style="list-style-type: none"> ➤ Vardhman Textiles Limited 4. Nomination and Remuneration Committee <ul style="list-style-type: none"> ➤ Ralson (India) Limited
No. of Shares Held	1,000
Relationship with other Directors	Not Related to any Director.

ANNEXURE TO THE NOTICE:

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

(For Item Nos. 5 to 7)

ITEM NO. 5:

In terms of Section 148 of the Companies Act, 2013 and amended rules thereof, the Company is required to appoint a cost auditor to conduct the audit of the cost records of the Company for the Financial Year 2015-16. The Audit Committee of the Company has recommended the appointment of Mr. R.A. Mehta as a Cost Auditor of the Company, for the Financial Year 2015-16. Your Board of Directors has given their consent and appointed Mr. R.A. Mehta as a Cost Auditor of the Company for the Financial Year ending 31st March, 2016 in their Board Meeting held on 4th May, 2015 at remuneration of ₹ 45,000/- (excluding service tax and out of pocket expenses) & other terms & conditions as mutually agreed by the Cost Auditors and the Managing Director of the Company. Further, the said remuneration is required to be ratified by the shareholders of the Company.

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

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

MEMORANDUM OF INTEREST:

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

ITEM NO. 6:

Keeping in view the contribution made by the Directors in framing progressive policies and their valuable guidance/suggestions from time to time, the Board of Directors, in their meeting held on 2nd February 2015 in accordance with of the Articles of Association of the Company, had approved the matter regarding increase in the sitting fees payable to Directors from ₹ 20,000/- and ₹ 15,000/- per meeting to ₹ 25,000/- & ₹ 20,000/- for attending the Board Meeting and Committee Meetings respectively, for which your approval is solicited by way of Special Resolution.

MEMORANDUM OF INTEREST:

Except Mr. M.C. Gupta, Mr. S. P. Singh, Mr. S.K. Bansal and Ms. Geeta Mathur, none of the Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise, in the Special Resolution set

out at Item No. 6 of the Notice.

Item No. 7:

Pursuant to provisions of the Companies Act and the Listing Agreement, the shareholders in their 24th AGM held on 25th September 2015 had given in-principle approval for related party transaction for Financial Year 2015-16. Now under the amended provisions of Clause 49(VII) - E of the Listing Agreement, approval of the Shareholders is required for all material Related Party Transactions.

Transactions 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 ten percent of the Annual consolidated turnover of the Company as per the

last audited financial statements of the Company. The materiality nature of related party transactions being entered by the Company mandates it to seek member’s approval for such transactions for Financial Year 2016-17.

Accordingly, your approval is solicited on the transactions provided below. The most significant transaction(s) by way of amount(s) and frequency during the year, is Sale of Acrylic Fiber (Traded/Manufactured) to its holding company Vardhman Textiles Ltd (VTXL). VTXL had been consuming Exlan quality of acrylic fiber prior to setting up of VAL as a subsidiary company. As on date, around 30-35% of the fiber produced by VAL is consumed as raw material by VTXL. Further, VAL also imports some specific quality of fiber which is not produced by it, which is further sold to VTXL as traded goods.

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

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

The Board recommends the **Special Resolution** set out at Item No. 7 for approval by the shareholders.

MEMORANDUM OF INTEREST:

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

BY ORDER OF THE BOARD

PLACE: Gurgaon
DATE: July 28, 2015

(Ruchita Vij)
COMPANY SECRETARY

DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting their Twenty-Fifth Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2015.

1. FINANCIAL RESULTS:

The Financial results for the year 2014-15 are as under:-

Particulars	₹ in Lacs	
	2014-15	2013-14
Sales (Gross)	54,080.28	50,957.64
Other Income	1,615.73	2,063.31
Profit before Depreciation, Interest & Tax (PBDIT)	4,968.53	7,112.77
Interest & Financial Charges	30.17	52.57
Profit before Depreciation & Tax (PBDT)	4,938.36	7,060.20
Depreciation	476.87	1,136.76
Profit before Tax	4,461.49	5,923.44
Provision for Tax		
- Current Tax	1,062.69	1,878.80
- Deferred Tax	56.49	(322.18)
- IT adjustment for earlier year	-	-
Profit After Tax (PAT)	3,342.31	4,366.82
Prior period adjustments (Net)	0.20	(0.15)
Balance brought forward	18,248.61	14084.57
Less: Premium on buy-back of shares	-	41.08
Less: Transfer to Capital Redemption Reserve	-	161.85
Less: Effect of change in depreciation as per Companies Act, 2013	296.61	-
Add: Impact of Deferred Tax due to change in Depreciation rate with regard to Companies Act, 2013	102.65	-
Appropriations:		
Proposed Dividend on Equity Shares	930.08	-
Corporate Dividend Tax on Proposed Dividend	194.62	-
Transfer to General Reserve	3,000.00	-
Balance carried to Balance Sheet	17,272.06	18,248.61
Earnings per share (in ₹)	3.59	4.69
Dividend per share (in ₹)	1.00	-

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with Stock Exchange in India, is presented as under.

a) ACRYLIC FIBER INDUSTRY – GLOBAL AND INDIAN PERSPECTIVE:

In the year 2014, global Acrylic Fiber (AF) consumption seems to have reduced marginally by about 1.0 to 1.5% against forecasts of an unchanged demand. AF consumption in China seems to have taken a hit of about 7-9% in 2014 over previous year on back of weak global demand. This drop in Chinese consumption has been borne mainly by exporters to China who had to look for other markets. This is the lowest level of consumption post 2008 in China. Indian AF consumption was also estimated to be lower by about 3-4%. However, this drop must be seen along an increased consumption of about 12% in last year which was more due to inventory building. On the whole, Indian consumption of AF has been generally increasing gradually since 2009.

International AF prices especially in Far East Asia, the largest AF consuming region in world, were quite stable for a larger part of the FY 2014-15 pressed by softer demand despite higher crude oil prices. A decline was seen in the last 4-5 months of the year following lower upstream costs and market conditions. In India too, higher prices of AF limited demand from Sep-14 to Nov-14 and also suppressed prices from Oct-14 to Mar-15.

Globally, the AF capacity utilization was estimated to be around 88% about two notches higher than 2013. This was a combined effect of some reduction in global installed capacity as well as lower production. Chinese capacity utilization was estimated to be about 94%, about 2% lower than 2013. Indian AF capacity utilisation is estimated to be about 92%. Exports out of India contributed significantly to high capacity utilisation in 2014.

Acrylonitrile (ACN), a crude oil derivative, is the principal raw material for manufacture of Acrylic Fiber. Normally, it is influenced by crude oil prices, though the same is also impacted by its demand-supply balance as well as demand for propylene (an input for ACN) from competing end uses and its availability. Crude oil hit one of its highest levels post 2008 in Jun-14 before starting off to a sharp decline which continued for almost 7 months. ACN prices, however, held out for first 4-5 months of decline of crude but adjusted sharply thereafter as demand faltered on high prices. This volatility has impacted AF producers and customers alike. Exchange rate of Indian Rupee has been fairly stable during the year especially against USD quite unlike in 2013 when this was a major factor of wild movement of ACN and Acrylic Fiber prices in Indian market.

Globally, there has been a marginal drop in ACN capacity due to closure of one plant each in Japan and Korea despite start-up of one new plant in China. However, new capacity of appx 9 Lac MTPA is scheduled to start in 2015 and 2016 which is about 13% of present capacity. These new plants will reduce

the supply deficit in Asian region that is currently heavily dependant on imports from US and Europe.

The year under discussion was a challenging year for global AF industry which faced steep rise and then a sharp drop in upstream crude oil on one hand and a cautious market & soft demand for AF on the other hand. Increased gap with respect to competing fibers also dampened buying of Acrylic Fiber globally, though on a limited scale. Indian AF producers continued to face imports of AF at low prices. Delay in conclusion of Anti-dumping investigations by government authorities adversely impacted margins of Indian AF producers.

b) FINANCIAL ANALYSIS & REVIEW OF OPERATIONS:

● **PRODUCTION & SALES REVIEW:**

The total production during the year under consideration was 20,595 MT as against 20,428 MT in the previous year. Your Company has achieved a turnover of ₹ 54,080.28 Lacs against a turnover of ₹ 50,957.64 Lacs in the previous year. After providing for depreciation of ₹ 476.87 lacs (previous year ₹ 1,136.76 lacs) and provision for current tax (including wealth tax) of ₹ 1,062.69 lacs (previous year ₹ 1,878.80 lacs), deferred tax of ₹ 56.49 lacs (previous year ₹ (322.18) lacs), Profit after tax of the Company is ₹ 3,342.11 lacs as against a net profit of ₹ 4,366.97 lacs in the previous year. This is about 23.46% lower than FY 2013-14. Main reason for this drop is higher raw material and fuel cost with corresponding lower increase in sales realisation as also lower credit of income from investments, though accrued.

● **RESOURCE UTILIZATION:**

i) **Fixed Assets:**

The gross fixed assets (including work-in-progress) as at 31st March, 2015 were ₹ 24,714.78 lacs as compared to ₹ 24,301.96 lacs in the previous year.

ii) **Current Assets:**

The current assets as on 31st March, 2015 were ₹ 24,791.61 lacs as against ₹ 22,979.89 lacs in the previous year. Inventory level was at ₹ 7,003.78 lacs as against ₹ 7,703.09 lacs in the previous year.

● **FINANCIAL CONDITIONS & LIQUIDITY:**

Liquidity & Capital Resources:

	(₹ in Lacs)	
Particulars	2014-15	2013-14
Cash & cash equivalents:		
Beginning of the year	582.31	1,209.08
End of the year	279.37	582.31
Net cash provided/(used) by:		
Operating Activities	5,535.07	4,266.15
Investing Activities	(5,755.16)	(4,393.44)
Financial Activities	(82.85)	(499.47)

c) BUSINESS OUTLOOK:

Indian economy is forecast to grow by 7.5-8.5% in 2015-16. Estimated growth in 2014-15 is 7.2%. Country seems to have come out of Current account and fiscal deficits challenges it faced in 2013-14 and 2014-15. Consumer Price Inflation is steadily coming down and monetary policies are being crafted to promote industrial growth. There is an overall improvement in business sentiment in India and the growth momentum seems to be sustainable.

Globally, US economy is forecast to grow 3.0% in 2015 (2.4% in 2014), Euro-zone is expected to grow 1.3% (0.83% in 2014) and China at 7.0% (7.4% in 2014). Improvement in economic conditions situation especially in Euro-zone and USA can boost AF demand. However, domestic consumption of China is expected to remain stagnant.

Raw material availability especially of ACN is expected to be better with new capacities coming on-stream in 2015 and 2016. On-purpose propylene plants are getting commissioned in China which are expected to bridge the availability gap of propylene, raw material for ACN. Lower and stable crude oil prices, better availability of propylene and new capacities of ACN net of small capacity rationalisation in Asia are expected to translate into less volatile ACN prices despite some expected capacity rationalization in Asia. However, very low crude oil prices can make some of these new investments nonviable, which can change supply-demand balance.

Based on overall assessment of domestic industry, stocks in AF channel and economic growth forecasts, AF consumption in 2015-16 in India is likely to be sustained or increase slightly over 2014-15. At lower crude oil prices, price differential with respect to competing fibers is also expected to be lower which will help promote Acrylic Fiber demand. Less than normal monsoon in India, as is being forecast, can cause some damage to AF demand especially from rural areas. An area of concern is delay in completion of anti-dumping investigations by government authorities which is resulting in continued imports of unreasonably low priced AF and putting pressure on margins of Indian AF producers. Lack of an even playing field is a hurdle in creating an environment for expansion and investment in domestic capacity.

d) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has a well-designed Internal Audit programme and dedicated team for independent review of all systems, procedures and financial controls of the Company to bring in the best industry practices, compliance with internal systems & procedures and statutory laws. The Company's overall internal control system is adequate given size and nature of operations. All significant issues are regularly presented to the Audit committee of the Company. Senior management of your

Company places emphasis on taking proper actions on the significant issues, findings and recommendations of internal audit and systems are strengthened appropriately.

Internal Financial Controls:

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

e) MANAGEMENT PERCEPTION OF RISK & CONCERNS:

Though consumption of AF in India in 2014 is lower over previous year, it is still at it's highest level post 2008. Better forecasts for national economy in 2015 and subsequent years is likely to help in sustaining and possible growth of industry. Poor monsoon in 2015, though can be a dampener. At the same time, caution is suggested in expecting high growth year on year. Indian AF industry is dependent upon overseas sources for supply of major raw material in addition to ACN. Steep devaluation or high volatility in INR exchange rate can substantially raise cost to Indian customer as well as create uncertainty that can be detrimental to demand and thus growth of AF industry. As stated earlier, unreasonably low priced imports of AF will continue to pose serious problems to the domestic AF Industry.

Lower crude oil prices will translate into lower AF prices, making it more affordable to the masses. This augurs well for AF demand growth. Current forecasts of crude oil are in favour of growth of AF industry. However, a large and unexpected geo-political issue affecting crude oil availability can upset industry expectations. Also, volatile movements in crude oil prices can result in inventory gains as well as losses.

Prices of competing fibers such as cotton and polyester are though low but not likely to promote significant substitution. Therefore, we do not foresee any major possibility of large substitution of AF by such fibers. This equation can, however, change with oversupply of these fibers or sharp drop in prices of these fibers or large change in crude oil prices impacting the entire petro-chain.

f) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

This area receives continuous focus of management of your Company. Investment in human resources starts with careful selection of team members. The training and skill development of all team members to enhance their knowledge and competencies is an ongoing planned effort. Your Company has always endeavored to promote and maintain a positive work environment that encourages innovation, trust and harmony. Safety of personnel and installations receives top attention of the management. The industrial relations remained harmonious and cordial during the year.

The Company employed 301 persons during the year.

3. DIVIDEND:

The Board of Directors of your Company has recommended Dividend of ₹ 1.00/- per share on the Fully Paid-up Equity Shares of the Company.

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

In accordance with provisions of the Articles of Association of the Company, Mr. D.L Sharma, Director of your Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors recommended his appointment for consideration of the members at the forthcoming Annual General Meeting.

Pursuant to provisions of Section 203 of the Companies Act, 2013, the below mentioned KMP's were appointed/ designated in the Board meeting held on 19th May 2014, as detailed below.

Whole Time Key Managerial Personnel of the Company	Designation
B.K. Choudhary	Managing Director (MD)
Vivek Gupta	Chief Financial Officer (CFO)
Ruchita Vij	Company Secretary (CS)

Familiarisation programmes for Board Members:

The Board members are from time to time provided with necessary documents/policies/internal procedures to get them familiar with the practices of the Company. During the year under review Company's Plant visit was organized for the Independent Directors to help them to understand business operations & working of the Company. The business strategies, performance, global developments, legal & other updates, compliance reports and other relevant information/reports etc are being periodically provided to the Board of Directors.

5. INDEPENDENT DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013, in the 24th Annual General Meeting, Mr. Munish Chandra Gupta, Mr. Sanjit Paul Singh, Mr. Surinder Kumar Bansal and Ms. Geeta Matur were appointed as Independent Directors of the Company, who are not liable to retire by rotation.

Declaration under Section 149(6):

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 read with the relevant rules.

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

The optimal utilisation of energy remained a major focus area and a number of steps were taken in this direction. The information required under Section 134 (3)(m) of the

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

7. AUDITORS:

a. Statutory Auditors:

At 24th Annual General Meeting held on 25th September 2015, M/s. S.S. Kothari Mehta & Company, Chartered Accountants, New Delhi, were appointed as Statutory Auditors of the Company for a term starting from conclusion of 24th Annual General Meeting till the conclusion of 27th Annual General meeting subject to ratification by Members at every Annual General Meeting. Pursuant to provisions of Section 139 (1) of the Companies Act, 2013, the matter of appointment of M/s. S.S. Kothari Mehta & Company, Chartered Accountants, as a Statutory Auditors, is placed for ratification by the members.

b. Secretarial Auditor:

Mr. Ashok K Singla, practicing Company Secretary, Ludhiana, was appointed as Secretarial Auditor & his report in Form No. MR 3 under Section 204 of the Companies Act for the Financial Year 2014-15 is attached as **Annexure 2** & shall form the part of this Report.

c. Cost Auditor:

As per provisions of Section 148 of the Companies Act, 2013 the Board of Directors of your Company has recommended Mr. R.A Mehta, Practicing Cost Auditor, (being eligible for re-appointment) to be re-appointed as a Cost Auditor for the Financial Year 2015-16, subject to ratification of remuneration by the Shareholders in the forthcoming Annual General Meeting.

d. Internal Auditor:

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Company has appointed Mr. Nilesh Jain, to conduct internal audit of the functions and activities of the Company and maintain internal control systems of the Company.

8. AUDITORS' REPORT:

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

9. AUDIT COMMITTEE AND VIGIL MECHANISM:

Composition of Audit Committee:

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

Vigil Mechanism and Whistle Blower:

Pursuant to provisions of Section 177 (9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism"

incorporating Whistle Blower policy in terms of the Listing Agreement for employees and directors of the Company, for expressing the genuine concerns of unethical behaviour, frauds or violation of the codes of conduct by way of direct access to the Chairman/Chairman of the Audit Committee. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at http://www.vardhman.com/user_files/342a7263db1c05444c_897e9056f0e1d9707cda151436265916.pdf

10. CORPORATE GOVERNANCE:

The Company has in place a system of Corporate Governance and a separate report on Corporate Governance is being annexed hereto and shall form part of the Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of governance norms stipulated under Listing Agreement is also annexed to the Corporate Governance report.

11. BOARD MEETINGS:

During the Financial Year 2014-15, the Board met Four (4) times i.e. on 19.05.2014, 02.08.2014, 01.11.2014 and 02.02.2015. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

12. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

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

13. PERSONNEL & RELATED DISCLOSURES:

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

None of the employees of your Company has received salary of ₹ 60.00 lac per annum or ₹ 5.00 lac per month or more during the Financial Year 2014-15. Accordingly, no particulars of employees are to be given pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The particulars required under Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed hereto and form part of this report.

In terms of Section 197 (14) of the Companies Act, 2013, the Company does not have any subsidiary Company. However, details regarding remuneration received from holding company by Managing Director is annexed hereto and form part of this report.

The above mentioned details under Section 197 of the Companies Act, 2013 are provided in **Annexure 3**.

14. COMPANY POLICIES & STATUS OF DEVELOPMENT:

a. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Vision & core areas of CSR:

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

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

The Company has identified following thrust areas for CSR:

- **PROMOTION OF EDUCATION:** To continue our endeavour for promoting education by setting up schools, colleges to deliver high quality education to students of all strata of society.
- **ENVIRONMENT PROTECTION AND ENERGY CONSERVATION:** To protect environment and to sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of Company and its employees at all levels towards attaining world class standards.
- **DEVELOPMENT OF HUMAN CAPITAL:** To encourage the development of human capital through skills development, vocational training programmes.

- **RURAL DEVELOPMENT:** To contribute to development in rural areas near by unit of the Company and knowledge sharing and other social practices such as soil and moisture conservation and watershed management etc.

- **OTHER INITIATIVES:**

- ✓ To contribute to empowering women economically, supplementing primary and secondary education and participating in rural capacity building programmes and such other schemes.
- ✓ To respond to emergency situations & disasters by providing timely help to affected victims and their families.
- ✓ Any other project/programme pertaining to activities listed in Schedule VII of the Companies (Corporate Social Responsibility) Rules, 2014 and amendments thereto.

The Company has spent ₹ 12.84 lacs on CSR activities during FY 2014-15. We hope, in the coming year, many good proposals, specifically related to health, education and rural development, may be identified and considered by the Committee where the required amount may be spent fruitfully.

The disclosures under Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules 2014 i.e. Annual Report on CSR activities for Financial Year 2014-15 is attached herewith in **Annexure 4**.

b. NOMINATION AND REMUNERATION:

The Nomination & Remuneration committee was constituted by the Board on 02.08.2014, consisting of four directors viz Mr. M.C. Gupta, Mr. S.P. Oswal, Mr. B.K. Choudhary and Ms. Geeta Mathur. Mr. M.C. Gupta is the Chairman of said Committee. The Committee met at once, during the year under review. The Company's approved Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, Independence of Directors and other related matters as provided under Section 178(3) & (4) of the Companies Act, 2013 is attached herewith in **Annexure 5**.

c. RISK MANAGEMENT:

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Risk Management Committee was constituted by the Board on 02.02.2015, comprising of Mr. S.P. Singh, Ms. Geeta Mathur, Mr. B.K. Choudhary & Mr. Vivek Gupta. The Committee has formulated the Risk Management Policy which was subsequently approved by the Board of Directors.

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

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

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

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

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

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

17. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return pursuant to the provisions of Section 134 (3) (a) of the Companies Act 2013, is furnished in **Annexure 6** (Form MGT 9) and is attached to this Report.

18. ANNUAL PERFORMANCE EVALUATION:

During the year under review, a policy on performance evaluation of Independent Directors, Board and its Committees, other individual directors of the Company including detailed process & parameters has been formulated by the Company.

The meeting of Independent Directors of the Company to evaluate the performance of Non-Independent Directors, Chairman & the Board as a whole for FY 2014-15 was held on 31st March 2015. The evaluation based on various parameters was discussed by the Independent Directors.

19. GENERAL DISCLOSURE:

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

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

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

20. ACKNOWLEDGEMENT:

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

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

For And on Behalf of the Board

Place: Gurgaon
Date: May 04, 2015

Sd/-
(S.P. Oswal)
Chairman

INDEX OF ANNEXURES
(FORMING PART OF BOARD REPORT)

Annexure No.	Particulars
1	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
2	Secretarial Audit Report for Financial Year 2014-15
3	Particulars under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4	CSR Activities – Annual Report for Financial Year 2014-15
5	Nomination & Remuneration Policy approved by the Board.
6	Extract of Annual Return - MGT 9.

ANNEXURE 1

INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF COMPANIES (ACCOUNTS) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2015.

A. CONSERVATION OF ENERGY:

i. The steps taken or impact on conservation of energy during the year:

A dedicated 'Central Utilities Conservation Cell' in the plant has been focusing on energy management since plant inception. This cell closely monitors energy consumption as well as identification & implementation of energy conservation projects. This has always been a thrust area for the Company with studies, discussions and analysis being undertaken regularly for further improvement.

The Company has undertaken various projects for conservation of energy in FY 2014-15. These projects are detailed below:

- Provision of 4th Co-ag cooler in spinning area resulting into power savings due to reduced load on Brine Chiller compressors.
- VFD in Aerator - 2 of the ETP leading to power savings.
- Lighting energy saver in main lighting distribution board - 2 leading to power savings.
- Provision of interlock to stop steam valve on stoppage of dryer conveyor leading to savings in steam consumption.
- Humidity control system in dryers leading to optimization of steam flow and steam savings.
- Purchase of energy efficient motors instead of standard motors.

ii. The steps taken by the Company for utilizing alternate sources of energy during the year.

Following are the steps taken by the Company for utilizing alternate sources of energy during the financial year 2014-15:-

- Company has presently efficient co-generation system. Efforts are continuing to identify viable opportunities of using alternate sources of energy.

iii. The capital investment on energy conservation equipments during the year.

The Company has incurred ₹ 21.5 lacs for different energy saving projects and saved approximately 3.15 lac KWH and 3690 MT steam during the Financial Year 2014-15.

B. TECHNOLOGY ABSORPTION:

i. Efforts made towards technology absorption, adoption and innovation: 2D tow quality improvement.

ii. Benefits derived as a result of the above efforts: Better product performance at Customer's end.

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

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

iv. The expenditure incurred on Research and Development (R&D): The R&D efforts in the Company are focused on productivity improvement and better control on parameters for quality improvement and higher efficiencies.

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

- Recycling and reuse of waste water.
- Solvent purification operations standardization for enhanced efficiency by repeated analysis at different process conditions.
- Alternate vendor development for furnace oil.

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

- Productivity increase.
- Water recycling and reduction in fresh water consumption.
- Cost reduction & reliability improvement by developing a wider vendor base.
- Intermediate & finish product quality improvement

c) Future plan of action: Efforts to improve productivity.

d) Expenditure on R&D:

(₹ In Lacs)

Particulars	2014-15	2013-14
Non- Recurring	-	-
Percentage of turnover	-	-

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ In Lacs)

Particulars	2014-15	2013-14
Foreign Exchange earned (FOB)	NIL	NIL
Foreign Exchange used (on accrual basis)	32,025.72	32,016.42

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED on 31st March, 2015.

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

To,
The Members,
Vardhman Acrylics Limited,

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

Based on my/our verification of the Vardhman Acrylics Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by Vardhman Acrylics Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

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

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

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

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

I/we further report that

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

Adequate 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.

Vardhman Acrylics Limited

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

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

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

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

**Sd/-
Ashok Singla
Proprietor,
Membership No. 2004.
Certificate of Practice No. 1942.**

**Date : May 01, 2015.
Place: Ludhiana.**

Annexure A

To
The Members
Vardhman Acrylics Limited.

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

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

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

**Sd/-
Ashok Singla
Proprietor,
Membership No. 2004
Certificate of Practice No. 1942**

**Date : May 01, 2015.
Place: Ludhiana.**

ANNEXURE 3

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

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial Year 2014-15 (₹ In lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	B.K. Choudhary Managing Director	57.83	32.12 %	28.92	PBDIT decreased by 30.15% and PAT decreased by 23.46%
2.	M.C. Gupta, Non Executive & Independent Director	2.40	275 %	1.2	N.A.
3.	S.P. Singh, Non Executive & Independent Director	1.70	165.63 %	0.85	N.A.
4.	S.K. Bansal, Non Executive & Independent Director	1.05	228.13 %	0.53	N.A.
5.	*Geeta Mathur, Non Executive & Independent Director	1.00	*	*	N.A.
6.	**A.K. Bakhshi, Non Executive & Independent Director	0.20	-61.54%	0.10	N.A.
7.	***Vivek Gupta, Chief Financial Officer	17.85	N.A.	N.A.	PBDIT decreased by 30.15% and PAT decreased by 23.46%
8.	Ruchita Vij, Company Secretary	4.30	N.A.	N.A.	

* Details not given as Ms. Geeta Mathur was appointed as a Director only for part of the FY 2014-15 that is w.e.f. 2nd August 2014.

** Mr. A.K. Bakhshi had resigned from the Board of the Company w.e.f. 30th July, 2014.

*** Mr. Vivek Gupta, CFO was appointed in Board Meeting held on 19th May, 2014.

- The median remuneration of employees of the Company during the Financial Year was ₹ 2.00 lakh.
- In the Financial Year, there was an increase of 10.36 % in the median remuneration of employees.
- There were 301 permanent employees on the rolls of Company as on March 31, 2015
- Relationship between average increase in remuneration and company performance:
The Profit before Tax for the Financial Year ended March 31, 2015 decreased by 23.46 % whereas the increase in median remuneration was 10.36 %.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel increased by 59.55 % from ₹ 47.62 lacs in 2013-14 to ₹ 75.98 lacs in 2014-15, whereas the Profit before Tax decreased by 23.46 % to ₹ 3,343.31 lacs in 2014-15 (₹ 4,366.82 lacs in FY 2013-14).
- Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹. 22,089.36 lacs (₹ 14,788.25 lacs as on March 31, 2014).
 - Price Earnings Ratio of the Company was 6.62 as at March 31, 2015 and was 3.39 as at March 31, 2014.
 - Percent increase over/decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company had come out with first public offer (IPO) in 2003. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 2375 as on March 31, 2015 indicating a Compounded Annual Growth Rate of 7.47%.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2014-15 was 13.25 %
- The key parameters for the variable component of remuneration availed by the directors, if any, are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – N.A.; and
- It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

Sr. No.	Name of Director	Name of Holding Company	Amount (In ₹ lacs)
1	B.K. Choudhary	Vardhman Textiles Limited	42.75

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2014 -15

ANNEXURE 4

(Section 135 & Rule 8 (1) of Companies (Corporate Social Responsibility Policy Rules) 2014)

Name of the Company		Vardhman Acrylics Limited
Corporate Identity Number (CIN)		L51491PB1990PLC019212
For Financial Year		2014 - 15
Sr. No.	Particulars	Details
1	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects/programms.	<p>Broad contours of CSR Policy of the Company:</p> <ol style="list-style-type: none"> Promotion of Education Rural Development Human Capital Development Environment Protection & Energy Conservation Contributing to empowering women Economically supplementing primary and secondary education and participating in rural capacity building programmes. To respond to emergency situations & disasters by providing timely help to affected victims and their families. Any other project/programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014. <p>CSR Policy is placed on website of the Company & web link - http://www.vardhman.com/user_files/61a990114df67d8501b530691cbe89070be539571436265843.pdf</p>
2	The Composition of CSR Committee	Date of Constitution: 19.05.2014 Chairman: Mr. Sachit Jain Members: Mr. B.K. Choudhary & Mr. M.C. Gupta
3	Average net profits of the Company for last three financial years	₹ 44.16 crores
4	Prescribed CSR Expenditure (2% of the amount as in item no.3 above)	₹ 0.88 crores
5	Details of CSR spent during the Financial year	
	a. Total amount to be spent for the Financial Year	₹ 0.88 crores
	b. Amount unspent, if any	₹ 0.75 crores
	c. Manner in which the amount spent during the Financial Year	Details given below
6	In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	A lot of preliminary and exploratory work has been done by the Committee to identify areas where its contribution may be of the maximum benefit to the society. The CSR Committee has been examining and evaluating proposals around local areas where our plants & offices are located as well as other areas. It may take some time for these proposals to fructify.

DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2014-15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise(In ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads : (In ₹)	Cumulative expenditure up to the reporting period. (In ₹)	Amount spent: Direct or through implementing agency*
1	PCC of compound of Dadheda school	Education	Dadheda village school	70,000	63,120	63,120	Direct
2	Gate of Talodara school	Education	Talodara Village	12,000	12,260	75,380	Direct
3	Flooring repair of Gram panchayat building (New tiles provided)	Rural Development	Utiya Village	30,000	30,000	105,380	Direct
4	Christian Medical College for donation against purchase & installation of Maico MB11 BERA Phone Screener	Helth Care	Ludhiana	603,750	603,750	709,130	Direct
5	Promotion of Educational Activities with students of Amar Vidyalaya (Primary & Higher Secondary School)	Education	Talodara	25,000	25,000	734,130	Direct
6	New building of Anganwadi (Kinder garden) being made work under progress	Education	Dadheda Village	*550,000	550,000	1,284,130	Direct

Note: (1) We had adopted Dadheda village to construct 169 toilets. The toilets were to be constructed in partnership with District Administration (Collectorate Office) but now District Administration has issued new guidelines. Based on that we will be constructing toilets ourselves in FY 2015-16.

(2) * Anganwadi will be completed in July, 15.

RESPONSIBILITY STATEMENT

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

Sd/-
B.K. CHOUDHARY
MANAGING DIRECTOR

Sd/-
SACHIT JAIN
CHAIRMAN OF CSR COMMITTEE

Date: May 04, 2015
Place: Gurgaon

**NOMINATION AND REMUNERATION POLICY
OF**

VARDHMAN ACRYLICS LIMITED

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

1. PREFACE:

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

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

The amended policy is as under:-

2. ROLE OF THE COMMITTEE:

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
 - 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 to the working of the company and its goals.
- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise a policy on Board diversity.

3. MEMBERSHIP:

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

- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

4. CHAIRMAN:

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

5. FREQUENCY OF MEETINGS:

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

6. COMMITTEE MEMBERS' INTERESTS:

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

7. SECRETARY:

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

8. VOTING:

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

9. MINUTES OF COMMITTEE MEETING:

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

10. EFFECTIVE DATE & AMENDMENTS:

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

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacture of man-made fibers.	2030	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/ HUF	30	0	30	0	30	0	30	0	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt (s).	0	0	0	0	0	0	0	0	0.00
d) Bodies Corporate	67,048,854	0	67,048,854	72.09	69,577,577	0	69,577,577	74.81	2.72
e) Banks/FIs	0	0	0	0	0	0	0	0	0.00
f) Others	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1):-	67,048,884	0	67,048,884	72.09	69,577,607	0	69,577,607	74.81	2.72
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other- Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks/FIs	0	0	0	0	0	0	0	0	0.00
e) Others	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0.00
Total Shareholding of Promoters (A)= (A)(1)+(A)(2)	67,048,884	0	67,048,884	72.09	69,577,607	0	69,577,607	74.81	2.72
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	20,012	0	20,012	0.02	0.02
b) Banks/Fis	0	0	0	0	0	0	0	0	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt (s).	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Foreign Institutional Investors	0	0	0	0	763,990	0	763,990	0.82	0.82
j) Others (Specify)	0	0	0	0	0	0	0	0	0.00
Sub-Total (B)(1):-	0	0	0	0	784,002	0	784,002	0.84	0.84
2. Non Institutions									
a) Bodies Corporate									
i) Indian	5,399,893	0	5,399,893	5.81	5,056,532	0	5,056,532	5.44	-0.37
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals	0	0	0	0	0	0	0	0	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	11,498,079	11,510	11,509,589	12.37	10,010,121	11,410	10,021,531	10.77	-1.60
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	8,848,905	10,500	8,859,405	9.53	7,374,890	0	7,374,890	7.93	-1.60
c) Any Other (specify)									
i) Non-Resident Indians	102,076	0	102,076	0.11	118,264	0	118,264	0.13	0.02
ii) Trusts & Foundations	87,979	10	87,989	0.09	75,000	10	75,010	0.08	0.01
Sub-Total (B)(2)	25,936,932	22,020	25,958,952	27.91	22,634,807	11,420	22,646,227	24.35	-3.56
Total Public Shareholding (B)= (B)(1)+(B)(2)	25,936,932	22,020	25,958,952	27.91	23,418,809	11,420	23,430,229	25.19	-2.72
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	92,985,816	22,020	93,007,836	100.00	92,996,416	11,420	93,007,836	100.00	0.00

ii) Shareholding of Promoters

Name of Shareholders	Shareholding at the beginning of the Year (01.04.2014)				Shareholding at the end of the Year (31.03.2015)		% Change in Shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
VARDHMAN TEXTILES LIMITED	65,110,623	70.01	0	65,800,834	70.75	0	0.74
VARDHMAN HOLDINGS LIMITED	815,561	0.88	0	815,561	0.88	0	0
SYRACUSE INVESTMENT AND TRADING CO (PVT) LTD	713,332	0.77	0	790,886	0.85	0	0.08
MARSHALL INVESTMENT AND TRADING COMPANY PRIVATE LIMITED	319,093	0.34	0	839,530	0.90	0	0.56
ANKLESH INVESTMENTS PRIVATE LIMITED	89,435	0.10	0	587,639	0.63	0	0.53
SANTON FINANCE & INVESTMENT COMPANY LIMITED	100	0.00	0	100	0.00	0	0
SRESTHA HOLDINGS LIMITED	100	0.00	0	100	0.00	0	0
DEVAKAR INVESTMENT & TRADING CO. (P) LTD.	100	0.00	0	100	0.00	0	0
PLAZA TRADING CO PRIVATE LIMITED	100	0.00	0	100	0.00	0	0
MAHAVIR SPINNING MILLS PRIVATE LIMITED	100	0.00	0	100	0.00	0	0
PRADEEP MERCANTILE COMPANY PRIVATE LIMITED	100	0.00	0	664,247	0.71	0	0.71
FLAMINGO FINANCE & INVESTMENT COMPANY LIMITED	100	0.00	0	100	0.00	0	0
RAMANIYA FINANCE & INVESTMENT COMPANY LIMITED	100	0.00	0	100	0.00	0	0
*ADINATH INVESTMENT & TRADING CO.	10	0.00	0	10	0.00	0	0
SHRI PAUL OSWAL	10	0.00	0	10	0.00	0	0
SHAKUN OSWAL	10	0.00	0	10	0.00	0	0
SACHIT JAIN	10	0.00	0	10	0.00	0	0
VTL INVESTMENTS LIMITED	0	0.00	0	78,170	0.08	0	0.08
TOTAL	67,048,884	72.09	0	69,577,607	74.81	0	2.72

* Adinath Investment & Trading Company got converted into Adishwar Enterprises LLP w.e.f. 5th June, 2014.

(iii) Change of Promoters' Shareholding (Please specify, if there is no change)

Sr. No	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning/end of year	% of total shares of the Company				No. of shares at the beginning/end of year	% of total shares of the Company
1	VARDHMAN TEXTILES LIMITED	65,110,623	70.01	1-Apr-14				
				2-Apr-14	13	Open Market Purchase	65,110,636	70.01
				8-Dec-14	7,886	Open Market Purchase	65,118,522	70.01
				9-Dec-14	28,394	Open Market Purchase	65,146,916	70.04
				11-Dec-14	17,939	Open Market Purchase	65,164,855	70.06
				16-Dec-14	39,312	Open Market Purchase	65,204,167	70.11
				17-Dec-14	49,072	Open Market Purchase	65,253,239	70.16
				18-Dec-14	22,009	Open Market Purchase	65,275,248	70.18
				19-Dec-14	132	Open Market Purchase	65,275,380	70.18
				22-Dec-14	9,216	Open Market Purchase	65,284,596	70.19
				23-Dec-14	26,325	Open Market Purchase	65,310,921	70.22
				10-Feb-15	51,226	Open Market Purchase	65,362,147	70.28
				11-Feb-15	33,706	Open Market Purchase	65,395,853	70.31
				12-Feb-15	336	Open Market Purchase	65,396,189	70.31
				13-Feb-15	104,548	Open Market Purchase	65,500,737	70.42
				16-Feb-15	12,080	Open Market Purchase	65,512,817	70.44
				18-Feb-15	16,791	Open Market Purchase	65,529,608	70.46
				19-Feb-15	1,100	Open Market Purchase	65,530,708	70.46
				26-Feb-15	98,786	Open Market Purchase	65,629,494	70.56
				28-Feb-15	4,155	Open Market Purchase	65,633,649	70.57
				2-Mar-15	2,125	Open Market Purchase	65,635,774	70.57
				3-Mar-15	200	Open Market Purchase	65,635,974	70.57
				4-Mar-15	14,091	Open Market Purchase	65,650,065	70.59
				5-Mar-15	45,000	Open Market Purchase	65,695,065	70.63
				11-Mar-15	43,400	Open Market Purchase	65,738,465	70.68
				13-Mar-15	62,369	Open Market Purchase	65,800,834	70.75
		65,800,834	70.75	31-Mar-15			65,800,834	70.75
2	VARDHMAN HOLDINGS LIMITED	815,561	0.88	1-Apr-14				
					0	NIL Movement during year		
		815,561	0.88	31-Mar-15			815,561	0.88
		815,561	0.88				815,561	0.88
3	SYRACUSE INVESTMENT AND TRADING CO (PVT) LTD	713,332	0.77	1-Apr-14				
				23-Sep-14	100	Open Market Purchase	713,432	0.77
				24-Sep-14	17,574	Open Market Purchase	731,006	0.79
				25-Sep-14	59,880	Open Market Purchase	790,886	0.85
		790,886	0.85	31-Mar-15			790,886	0.85

Sr. No	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
4	MARSHALL INVESTMENT AND TRADING COMPANY PRIVATE LTD	319,093	0.34	1-Apr-14				
				6-Jun-14	257,727	Open Market Purchase	576,820	0.62
				26-Sep-14	37,372	Open Market Purchase	614,192	0.66
				29-Sep-14	57	Open Market Purchase	614,249	0.66
				30-Sep-14	12,959	Open Market Purchase	627,208	0.67
				1-Oct-14	25,679	Open Market Purchase	652,887	0.70
				12-Nov-14	54,620	Open Market Purchase	707,507	0.76
				13-Nov-14	27,010	Open Market Purchase	734,517	0.79
				17-Nov-14	24,455	Open Market Purchase	758,972	0.82
				18-Nov-14	25	Open Market Purchase	758,997	0.82
				24-Nov-14	3,852	Open Market Purchase	762,849	0.82
				25-Nov-14	62,199	Open Market Purchase	825,048	0.89
				28-Nov-14	14,482	Open Market Purchase	839,530	0.90
		839,530	0.90	31-Mar-15			839,530	0.90
5	ANKLESH INVESTMENTS PRIVATE LIMITED	89,435	0.10	1-Apr-14				
				1-Apr-14	800	Open Market Purchase	90,235	0.10
				2-Apr-14	17,704	Open Market Purchase	107,939	0.12
				7-May-14	53,926	Open Market Purchase	161,865	0.17
				28-May-14	31,512	Open Market Purchase	193,377	0.21
				29-May-14	62,382	Open Market Purchase	255,759	0.27
				30-May-14	44,275	Open Market Purchase	300,034	0.32
				4-Jun-14	47,519	Open Market Purchase	347,553	0.37
				5-Jun-14	172,701	Open Market Purchase	520,254	0.56
				2-Sep-14	4,400	Open Market Purchase	524,654	0.56
				3-Sep-14	10,264	Open Market Purchase	534,918	0.58
				4-Sep-14	10,040	Open Market Purchase	544,958	0.59
				5-Sep-14	12,080	Open Market Purchase	557,038	0.60
				17-Sep-14	5,381	Open Market Purchase	562,419	0.60
				22-Sep-14	25,220	Open Market Purchase	587,639	0.63
		587,639	0.63	31-Mar-15			587,639	0.63
6	SRESTHA HOLDINGS LIMITED	100	0.00	1-Apr-14				
					0	NIL Movement during year	100	0.00
		100	0.00	31-Mar-15			100	0.00
7	DEVAKAR INVESTMENT & TRADING CO. (P) LTD.	100	0.00	1-Apr-14				
					0	NIL Movement during year	100	0.00
		100	0.00	31-Mar-15			100	0.00

Sr. No	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
8	MAHAVIR SPINNING MILLS PRIVATE LIMITED	100	0.00	1-Apr-14				
		100	0.00	31-Mar-15	0	NIL Movement during year	100 100	0.00 0.00
9	SANTON FINANCE & INVESTMENT COMPANY LIMITED	100	0.00	1-Apr-14				
		100	0.00	31-Mar-15	0	NIL Movement during year	100 100	0.00 0.00
10	RAMANIYA FINANCE & INVESTMENT COMPANY LIMITED		100	0.00	1-Apr-14			
		100	0.00	31-Mar-15	0	NIL Movement during year	100 100	0.00 0.00
11	FLAMINGO FINANCE & INVESTMENT COMPANY LIMITED		100	0.00	1-Apr-14			
		100	0.00	31-Mar-15	0	NIL Movement during year	100 100	0.00 0.00
12	PRADEEP MERCANTILE COMPANY PRIVATE LIMITED	100	0.00	1-Apr-14				
				9-Jun-14	78,781	Open Market Purchase	78,881	0.08
				10-Jun-14	49,935	Open Market Purchase	128,816	0.14
				16-Jun-14	41,205	Open Market Purchase	170,021	0.18
				18-Jun-14	111,119	Open Market Purchase	281,140	0.30
				8-Aug-14	41,515	Open Market Purchase	322,655	0.35
				11-Aug-14	16,164	Open Market Purchase	338,819	0.36
				12-Aug-14	83,008	Open Market Purchase	421,827	0.45
				13-Aug-14	10,000	Open Market Purchase	431,827	0.46
				14-Aug-14	24,796	Open Market Purchase	456,623	0.49
				18-Aug-14	2,000	Open Market Purchase	458,623	0.49
				19-Aug-14	21,008	Open Market Purchase	479,631	0.52
				20-Aug-14	30,301	Open Market Purchase	509,932	0.55
				25-Aug-14	1,600	Open Market Purchase	511,532	0.55
				26-Aug-14	4,518	Open Market Purchase	516,050	0.55
				27-Aug-14	46,359	Open Market Purchase	562,409	0.60
				28-Aug-14	44,758	Open Market Purchase	607,167	0.65
				1-Sep-14	7,309	Open Market Purchase	614,476	0.66
				23-Sep-14	49,771	Open Market Purchase	664,247	0.71
		664,247	0.71	31-Mar-15			664,247	0.71
13	PLAZA TRADING CO. PRIVATE LIMITED	100	0.00	1-Apr-14				
		100	0.00	31-Mar-15	0	NIL Movement during year	100 100	0.00 0.00

Sr. No	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
14	*ADINATH INVESTMENT & TRADING CO.	100	0.00	1-Apr-14				
		100	0.00	31-Mar-15	0	NIL Movement during year	100 100	0.00 0.00
15	VTL INVESTMENTS LIMITED	0	0.00	1-Apr-14				
				26-Jun-14	20,177	Open Market Purchase	20,177	0.02
				27-Jun-14	6,700	Open Market Purchase	26,877	0.03
				1-Jul-14	15,125	Open Market Purchase	42,002	0.05
				2-Jul-14	3,879	Open Market Purchase	45,881	0.05
				3-Jul-14	32,289	Open Market Purchase	78,170	0.08
		78,170	0.08	31-Mar-15			78,170	0.08
16	SHRI PAUL OSWAL	10	0.00	1-Apr-14				
		10	0.00	31-Mar-15	0	NIL Movement during year	10 10	0.00 0.00
17	SHAKUN OSWAL	10	0.00	1-Apr-14				
		10	0.00	31-Mar-15	0	NIL Movement during year	10 10	0.00 0.00
18	SACHIT JAIN	10	0.00	1-Apr-14				
		10	0.00	31-Mar-15	0	NIL Movement during year	10 10	0.00 0.00

* Adinath Investment & Trading Company got converted into Adishwar Enterprises LLP w.e.f. 5th June, 2014.

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

Sr. No	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
1	NAHAR CAPITAL AND FINANCIAL SERVICES LTD	661,427	0.71	1-Apr-14				
		661,427	0.71	31-Mar-15	0	NIL Movement during year	661,427 661,427	0.71 0.71
2	ANIL BANSILAL LODHA	506,376	0.54	1-Apr-14				
				23-May-14	32750	Purchase	539,126	0.58
				30-May-14	72865	Purchase	611,991	0.66
				6-Jun-14	24405	Purchase	636,396	0.68
				20-Jun-14	9000	Purchase	645,396	0.69
				30-Jun-14	22999	Purchase	668,395	0.72
				11-Jul-14	10000	Purchase	678,395	0.73
				25-Jul-14	1800	Purchase	680,195	0.73
				1-Aug-14	11507	Purchase	691,702	0.74
				19-Dec-14	-13690	Sale	678,012	0.73
				31-Dec-14	-33999	Sale	644,013	0.69
				9-Jan-15	-9200	Sale	634,813	0.68
				16-Jan-15	-10876	Sale	623,937	0.67
				23-Jan-15	-3820	Sale	620,117	0.67
				30-Jan-15	-5220	Sale	614,897	0.66
				6-Mar-15	-3500	Sale	611,397	0.66
		611,397	0.66	31-Mar-15			611,397	0.66

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

Sr. No	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
3	RATHI TECHSERVICES PRIVATE LIMITED	500,000	0.54	1-Apr-14				
		500,000	0.54	31-Mar-15	0	NIL Movement during year	500,000	0.54
4	JM FINANCIAL SERVICES LIMITED*	375,000	0.40	1-Apr-14				
				21-Nov-14	-35,500	Sale	339,500	0.37
				28-Nov-14	-40,000	Sale	299,500	0.32
				19-Dec-14	-5,500	Sale	294,000	0.32
				31-Dec-14	-25,000	Sale	269,000	0.29
				23-Jan-15	-110,000	Sale	159,000	0.17
				27-Feb-15	-159,000	Sale	0	0.00
		0	0.00	31-Mar-15			0	0.00
5	MAZBEEN I CONTRACTOR	320,006	0.34	1-Apr-14				
		320,006	0.34	31-Mar-15	0	NIL Movement during year	320,006	0.34
6	JNJ HOLDINGS PVT. LTD.**	310,000	0.33	1-Apr-14				
				6-Jun-14	-71,933	Sale	238,067	0.26
				13-Jun-14	-57,025	Sale	181,042	0.19
				20-Jun-14	-132,758	Sale	48,284	0.05
				30-Jun-14	-48,283	Sale	1	0.00
		1	0.00	31-Mar-15			1	0.00
7	SHARAD KANAYALAL SHAH	300,000	0.32	1-Apr-14				
		100,000	0.11	20-Jun-14	-200,000	Sale	100,000	0.11
				31-Mar-15			100,000	0.11
8	KARVY STOCK BROKING LTD. F-O MARGIN	275,805	0.30	1-Apr-14				
				11-Jul-14	9,002	Purchase	284,807	0.31
				1-Aug-14	3,000	Purchase	287,807	0.31
				30-Sep-14	-747	Sale	287,060	0.31
				10-Oct-14	-3,000	Sale	284,060	0.31
				21-Nov-14	-200	Sale	283,860	0.31
				27-Feb-15	-17,220	Sale	266,640	0.29
		266,640	0.29	31-Mar-15			266,640	0.29
9	OSWAL WOOLEN MILLS LTD.	255,500	0.27	1-Apr-14				
		255,500	0.27	31-Mar-15	0	NIL Movement during year	255,500	0.27
10	LSE SECURITIES LTD.	254,223	0.27	1-Apr-14				
				4-Apr-14	-1,000	Sale	253,223	0.27
				11-Apr-14	-1,900	Sale	251,323	0.27
				18-Apr-14	4,800	Purchase	256,123	0.28
				25-Apr-14	-3,500	Sale	252,623	0.27
				2-May-14	7,449	Purchase	260,072	0.28
				16-May-14	4,629	Purchase	264,701	0.28
				23-May-14	-20,000	Sale	244,701	0.26
				30-May-14	22,205	Purchase	266,906	0.29
				6-Jun-14	-28,571	Sale	238,335	0.26
				13-Jun-14	36,604	Purchase	274,939	0.30
				20-Jun-14	4,982	Purchase	279,921	0.30
				30-Jun-14	-3,268	Sale	276,653	0.30
				4-Jul-14	-1,800	Sale	274,853	0.30
				11-Jul-14	482	Purchase	275,335	0.30
				18-Jul-14	5,991	Purchase	281,326	0.30
				25-Jul-14	15,275	Purchase	296,601	0.32
				1-Aug-14	200	Purchase	296,801	0.32
				8-Aug-14	6,080	Purchase	302,881	0.33
				14-Aug-14	-26,195	Sale	276,686	0.30
				29-Aug-14	-6,582	Sale	270,104	0.29

Sr. No	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
				5-Sep-14	800	Purchase	270,904	0.29
				12-Sep-14	-7,835	Sale	263,069	0.28
				19-Sep-14	-2,325	Sale	260,744	0.28
				30-Sep-14	-36,300	Sale	224,444	0.24
				3-Oct-14	-300	Sale	224,144	0.24
				10-Oct-14	-7,000	Sale	217,144	0.23
				17-Oct-14	18,849	Purchase	235,993	0.25
				24-Oct-14	-100	Sale	235,893	0.25
				31-Oct-14	-5,800	Sale	230,093	0.25
				7-Nov-14	-900	Sale	229,193	0.25
				14-Nov-14	-1,125	Sale	228,068	0.25
				21-Nov-14	7,360	Purchase	235,428	0.25
				28-Nov-14	-27,259	Sale	208,169	0.22
				5-Dec-14	418	Purchase	208,587	0.22
				12-Dec-14	-20,095	Sale	188,492	0.20
				19-Dec-14	1,100	Purchase	189,592	0.20
				31-Dec-14	10,004	Purchase	199,596	0.21
				2-Jan-15	3,956	Purchase	203,552	0.22
				9-Jan-15	-13,080	Sale	190,472	0.20
				16-Jan-15	6,340	Purchase	196,812	0.21
				23-Jan-15	-4,540	Sale	192,272	0.21
				30-Jan-15	9,910	Purchase	202,182	0.22
				2-Feb-15	-1,000	Sale	201,182	0.22
				13-Feb-15	697	Purchase	201,879	0.22
				20-Feb-15	-1,300	Sale	200,579	0.22
				27-Feb-15	-610	Sale	199,969	0.22
				6-Mar-15	-250	Sale	199,719	0.21
				13-Mar-15	-4,700	Sale	195,019	0.21
				20-Mar-15	475	Purchase	195,494	0.21
				27-Mar-15	-2,174	Sale	193,320	0.21
		193,820	0.21	31-Mar-15	500	Purchase	193,820	0.21
11	SWISS FINANCE CORPORATION (MAURITIUS) LIMITED	60,000		1-Apr-14				
				19-Dec-14	241,182	Purchase	301,182	0.32
				31-Dec-14	11,675	Purchase	312,857	0.33
				9-Jan-15	17,098	Purchase	329,955	0.35
				16-Jan-15	28,497	Purchase	358,452	0.38
				23-Jan-15	196,573	Purchase	555,025	0.59
				30-Jan-15	34,567	Purchase	589,592	0.63
				2-Feb-15	3,810	Purchase	593,402	0.63
				13-Feb-15	25,000	Purchase	618,402	0.66
				6-Mar-15	21,875	Purchase	640,277	0.68
				13-Mar-15	25,808	Purchase	666,085	0.71
				20-Mar-15	20,000	Purchase	686,085	0.73
				27-Mar-15	77,905	Purchase	763,990	0.81
		763,990	0.82	31-Mar-15			763,990	0.81
12	ZEN SECURITIES LTD.**	0	0.00	1-Apr-14				
				4-Apr-14	8,076	Purchase	8,076	0.01
				11-Apr-14	54,532	Purchase	62,608	0.07
				18-Apr-14	12,901	Purchase	75,509	0.08
				25-Apr-14	25,000	Purchase	100,509	0.11
				2-May-14	24,336	Purchase	124,845	0.13
				16-May-14	147,391	Purchase	272,236	0.29
				23-May-14	97,214	Purchase	369,450	0.40
				8-Aug-14	100,000	Purchase	469,450	0.50
				31-Dec-14	-10,000	Sale	459,450	0.49
				2-Jan-15	-10,090	Sale	449,360	0.48
				9-Jan-15	-11,176	Sale	438,184	0.47
				16-Jan-15	-78,863	Sale	359,321	0.39
		359,321	0.39	31-Mar-15			359,321	0.39
13	SATYA PAL GARG	213,373	0.23	1-Apr-14				
					0	NIL Movement during year	213,373	0.23
		213,373	0.23	31-Mar-15			213,373	0.23

* Ceased to be in Top 10 list as on 31.03.2015. The same is reflected above since the shareholder was one of Top 10 shareholder as on 01.04.2014.

** Not in the Top 10 shareholders as on 01.04.2014. The same is reflected above since the shareholder was one of Top 10 shareholder as on 31.03.2015.

(v). Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/decrease in shareholding	Reason of Change	Cumulative shareholding during the year	
		No. of shares at the beginning / end of year	% of total shares of the Company				No. of shares at the beginning/ end of year	% of total shares of the Company
A. DIRECTORS:								
1	SHRI PAUL OSWAL	10	0.00	1-Apr- 14				
		10	0.00	31-Mar-15	0	NIL Movement during year	10	0.00
2	SACHIT JAIN	10	0.00	1-Apr-14				
		10	0.00	31-Mar-15	0	NIL Movement during year	10	0.00
3	DARSHAN LAL SHARMA	1,000	0.00	1-Apr-14				
		1,000	0.00	31-Mar-15	0	NIL Movement during year	1,000	0.00
4	MUNISH CHADRA GUPTA	20,000	0.02	1-Apr-14				
		20,000	0.02	31-Mar-15	0	NIL Movement during year	20,000	0.02
5	SANJIT PAUL SINGH	0	0.00	1-Apr-14				
		0	0.00	31-Mar-15	0	NIL Movement during year		
6	SURINDER KUMAR BANSAL	0	0.00	1-Apr-14				
		0	0.00	31-Mar-15	0	NIL Movement during year	0	0.00
7	GEETA MATUR	0	0.00	1-Apr-14				
		0	0.00	31-Mar-15	0	NIL Movement during year	0	0.00
B. KEY MANAGERIAL PERSONNEL:								
1	B.K. CHOUDHARY (M.D)	0	0.00	1-Apr-14				
		0	0.00	31-Mar-15	0	NIL Movement during year	0	0.00
2	VIVEK GUPTA (CFO)	0	0.00	1-Apr-14				
		0	0.00	31-Mar-15	0	NIL Movement during year	0	0.00
3	RUCHITA VIJ (CS)	0	0.00	1-Apr-14				
		0	0.00	31-Mar-15	0	NIL Movement during year	0	0.00

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment
₹ in lacs

Indebtedness at the beginning of the financial year (01.04.2014)	Secured Loans excluding deposits*	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	159.79	-	-	159.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	159.79	-	-	159.79
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	78.28	-	-	78.28
Net Change	-	-	-	-
Indebtedness at the end of the financial year (31.03.2015)				
i) Principal Amount	81.51	-	-	81.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	81.51	-	-	81.51

* Cash Credit Bank Accounts

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:
₹ in lacs

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager B.K. Choudhary	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.33	35.33
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.79	2.79
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	19.71	19.71
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)		57.83
	Ceiling as per the Act (5%)		211.14

B. Remuneration to other directors:

₹ in lacs

Sl.No.	Independent Directors	Name of Directors					Total Amount
		M.C Gupta	S.P Singh	S.K. Bansal	Geeta Mathur	A.K Bakshi	
1.	Fee for attending board/committee meetings	2.40	1.70	1.05	1.00	0.20	6.35
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (1)	2.40	1.70	1.05	1.00	0.20	6.35
2.	Other Non-Executive Directors						
	Fee for attending board/committee meetings	0	0	0	0	0	0
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	2.40	1.70	1.05	1.00	0.20	6.35
	Total Managerial Remuneration						64.18
	Overall Ceiling as per the Act (11%)						464.50

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

₹ in lacs

Sl.No.	Particulars of Remuneration	CEO	Company Secretary	CFO	Total
1	Gross Salary	N.A	Ruchita Vij	Vivek Gupta	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4.40	17.85	22.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.00	0	0
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	0.00	0	0
2	Stock Option	-	0.00	0	0
3	Sweat Equity	-	0.00	0	0
4	Commission				
	- as % of profit	-	0.00	0	0
	- others, specify	-	0.00	0	0
5	Others, please specify	-	0.00	0	0
	Total	-	4.40	17.85	22.25

VII. Penalties/Punishment/Compounding of offences: NIL

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty /Punishment /Com	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report. It assumes a great deal of importance in the business life of the Company. The Company's goal is to find creative and productive ways of delighting its stakeholders i.e. investors, customers & associates, while fulfilling the role of a responsible corporate representative committed to best practices. This section besides being in compliance of the provisions of Listing Agreement, gives an insight into the process of functioning of the Company. The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by SEBI. Further the Company has also implemented several best Corporate Governance practices as prevalent globally.

1. GROUP PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

a) Composition:

The Board of Directors comprises of a Non-Executive Chairman, a Managing Director and Six Non-Executive Directors. Out of the total strength of Eight (8) Directors, four Directors are independent.

b) Board Meetings:

During the Financial Year 2014-2015, the Board met Four (4) times on 19.05.2014, 02.08.2014, 01.11.2014 and 02.02.2015.

The composition of Board of Directors and Directors attendance at the Board Meetings and at last Annual General Meeting of the Company, as also the number of Directorship/Chairmanships held by them in other Public Limited Companies, during the Financial Year 2014-15 are given as follows:-

Name of Director	Designation & Category	Attendance at Board and last AGM		Directorship in other public Limited Companies	Committee Member-Ships in other public limited Companies	Board Chairmanships in other public limited Companies	Committee Chairmanships in other public limited Companies
		Board Meeting	Annual General Meeting				
S.P. Oswal	Non-Executive Chairman, Non Independent	3	No	9	2	4	-
B.K. Choudhary	Managing Director, Non Independent	4	No	2	4	-	-
Sachit Jain	Non-Executive Director, Non Independent	2	Yes	7	9	-	3
D.L. Sharma	Non-Executive Director, Non Independent	2	No	6	9	1	1
S.P. Singh	Non-Executive Director, Independent	4	No	-	-	-	-
M.C. Gupta	Non-Executive Director, Independent	4	No	2	5	-	3
S.K. Bansal	Non-Executive Director, Independent	4	No	1	4	-	-
A.K. Bakhshi (resigned w.e.f. 30.07.14)	Non-Executive Director, Independent	1	No	-	-	-	-
Geeta Mathur (appointed w.e.f. 02.08.14)	Non-Executive Director, Independent	3	No	9	16	-	1

3. AUDIT COMMITTEE:

The Audit Committee of the Board of Directors was constituted in conformity with the requirements of the Listing Agreement as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are as set out in the Listing Agreement entered into with Stock Exchanges and Section 177 of the Companies Act, 2013. The Audit Committee comprises of three directors viz. Mr. S. P. Singh, Mr. M.C Gupta and Mr. D.L. Sharma. Mr. S. P. Singh is the Chairman of the Committee. All members of the Audit Committee are financially literate and have accounting or related financial management expertise. Managing Director, Statutory Auditors, Internal Auditors and Chief Financial Officer are permanent invitees to the Committee. The Company Secretary of the Company is the Secretary to this Committee.

During the Financial Year 2013-14, the Audit Committee met Four (4) times on 19.05.2014, 02.08.2014, 01.11.2014 and 02.02.2015. The attendance of the members of the Committee is given below:-

Committee Members	Category	No. of Audit Committee Meetings Attended
S.P. Singh	Non-Executive, Independent Director	4
M.C. Gupta	Non-Executive, Independent Director	4
D.L. Sharma	Non-Executive, Non-Independent Director	2

4. NOMINATION AND REMUNERATION COMMITTEE :

i. Committee – constitution, policy & meeting details:

The constitution and terms of reference of Nomination & Remuneration committee of the Board of Directors was in conformity with the requirements of the New Listing Agreement as well as Section 178 of the Companies Act, 2013. The said committee is consisting four Directors viz., Mr. M.C. Gupta, Mr. S.P. Oswal, Mr. B.K. Choudhary & Ms. Geeta Mathur. Mr. M.C. Gupta is the chairman of said Committee. During the Financial Year 2013-14, the Committee met once and all the members attended the said committee.

The Company's approved Nomination & Remuneration Policy is already attached with Board Report (pls refer **Annexure 5** of Directors' Report).

ii. Remuneration details:

a) Managing Director:

The Company pays remuneration to the Managing Director as approved by the Board of Directors and Members of the Company in the General Meeting. During the Financial Year 2014-15, Managing Director drew a Salary of ₹ 57.83 lacs (Salary of ₹ 35.33 lacs, Commission ₹ 19.71 lacs and other Perquisites ₹ 2.79 lacs)

b) Non-Executive Directors:

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

The details of the sitting fees paid to the Directors during the Financial Year 2014-15 is given below:-

Sr. No.	Name of The Director	Sitting fee (₹)
1	S.P. Singh	170,000
2	M.C. Gupta	240,000
3	S.K. Bansal	105,000
4	Geeta Mathur	100,000
5	A.K. Bakhshi	20,000

iii. Shareholding:

None of the Directors hold any shares in the Company except Mr. S.P. Oswal and Mr. Sachit Jain, who hold 10 Equity shares each and Mr. D.L. Sharma who holds 1,000 Equity Shares of the Company.

iv. Relationship inter se:

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

To look into the redressal of investors' complaints on various issues, the Company constituted a Shareholders'/Investors' Grievance Committee on 17.04.2003. Pursuant to provisions of Section 178 (5) of the Companies Act, 2013, the Board of Directors in their meeting held on 2nd August 2014, recognised and renamed the said committee as "Stakeholders Relationship Committee".

The members of the Committee are Mr. M.C. Gupta, Mr. D.L. Sharma and Mr. B.K. Choudhary. The quorum of the Committee is two members. The Chairman of the Committee is Mr. M.C. Gupta, a non-executive independent director. During the Financial Year, a meeting of the Committee was held on 02.02.2015 and the same was attended by Mr. M.C. Gupta & Mr. B.K. Choudhary. Ms. Ruchita Vij, Company Secretary of the Company, is the Compliance Officer for this Committee.

During the Financial Year 2014-15, the Company has not received any complaint.

6. GENERAL BODY MEETINGS :

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

Financial Year (ended)	Day, date & time of the meeting	Venue	No. of Special Resolutions
31 st March, 2014 24 th AGM	Tuesday 25 th September 2014 at 10 a.m.	Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010	2
31 st March, 2013 23 rd AGM	Saturday, 31 st August 2013 at 10.00 a.m.	Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010	1
31 st March, 2012 22 nd AGM	Saturday, 1 st September 2012 at 3.00 p.m.	Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana-141 010	-

b. Postal Ballot:

The Board had appointed M/s. B.K. Gupta & Associates, Practising Company Secretary as a Scrutinizer to conduct the postal ballot process in accordance with the law and in fair and transparent manner. The Company has passed two (2) Special Resolutions on 25th September 2014, through Postal Ballot, during the Financial Year 2014-2015, related to:

- a. To continue with the limit of investments/inter corporate loans u/s 186 of the Companies Act 2013 to the extent of ₹150 crore over and above the higher of (a) 60% of the paid up share capital and free reserves or (b) 100% of free reserves of the Company.

The voting details in respect of the said resolution are given as under:

Details of Ballots received through Post:

PARTICULARS	NO. OF FOLIOS	NO. OF SHARES (VOTES)	PERCENTAGE (%) (VOTES)
Total Shareholders	11,275	93,007,836	100
Total number of ballot papers received (excluding Invalid forms)	75	66,150	0.07
No. of folios voted FOR	64	49,025	74.11
Number of folios voted AGAINST	11	17,125	25.89

Details of E-voting:

PARTICULARS	NO. OF BALLOTS	NO. OF SHARES (VOTES)	PERCENTAGE (%) (VOTES)
Total Folios voted through e-voting	51	69,326,338	100
No. of folios voted FOR	47	69,322,950	99.99
Number of folios voted AGAINST	4	3,388	0.01

- b. Creation of mortgages/charges on the movable and immovable properties of the Company u/s 180(1)(a) of the Companies Act, 2013.

The voting details in respect of the said resolution are given as under:

PARTICULARS	NO. OF FOLIOS	NO. OF SHARES (VOTES)	PERCENTAGE (%) (VOTES)
Total Shareholders	11,275	93,007,836	100
Total number of ballot papers received (excluding Invalid forms)	74	65,650	0.07
No. of folios voted FOR	63	48,525	73.91
Number of folios voted AGAINST	11	17,125	26.09

Details of E-voting:

PARTICULARS	NO. OF BALLOTS	NO. OF SHARES (VOTES)	PERCENTAGE (%) (VOTES)
Total Folios voted through e-voting	51	69,326,338	100
No. of folios voted FOR	46	69,319,850	99.99
Number of folios voted AGAINST	5	6,488	0.01

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

7. DISCLOSURES:

1. There was no materially significant related party transactions that may have any potential conflict with interest of the Company at large.
2. There has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other Statutory Authority during the last three years.
3. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The policy on "Vigil mechanism and Whistle Blower" may be accessed on the Company's website http://www.vardhman.com/user_files/342a7263db1c05444c897e9056f0e1d9707cda151436265916.pdf During the year no personnel has been denied access to the audit committee.
4. Further, the Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company may also take-up the non-mandatory requirements of Clause 49 in due course of time.

8. MEANS OF COMMUNICATION:

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

9. GENERAL SHAREHOLDERS INFORMATION:**i) 25th Annual General Meeting:**

Date	: Friday 4 th September 2015
Time	: 03.00 P.M.
Venue	: Regd. Office: Vardhman Premises, Chandigarh Road, Ludhiana- 141 010

ii) Financial Calendar 2015-16 (Tentative):

First Quarter Results	: July, 2015
Second Quarter Results	: October, 2015
Third Quarter Results	: January, 2016
Annual Results	: May, 2016

iii) Dates of Book Closure : 7th August, 2015 to 4th September, 2015
(Both days inclusive)**iv) Dividend payment date** : within 30 days after declaration.**v) Listing :**

The Shares of the Company are presently listed on National Stock Exchange of India Ltd., Mumbai (NSE). "Exchange Plaza", Bandra - Kurla Complex, Bandra (East), Mumbai-400 051.

The Company has duly paid the listing fee to National Stock Exchange for the Financial Year 2014-15. Earlier shares of the Company were also listed with the Ludhiana Stock Exchange Ltd (LSE), Feroze Gandhi Market, Ferozepur Road, Ludhiana-141 001. LSE has informed the Company vide its letter no. LSE/1301 dated 31.12.2014, that it has voluntarily surrendered its recognition as Stock Exchange. The Securities and Exchange Board of India (SEBI) has passed the exit order in this matter on December 30, 2014.

vi) Stock Code

- The National Stock Exchange of India Ltd. : VARDHACRLC

vii) Stock Market Data

The month-wise highest, lowest and closing stock prices on the National Stock Exchange during the Financial Year 2014-15 are given below:-

Financial Year 2014-15	Share Prices of the Company			
	Highest	Lowest	Closing	% Change over last month's closing
Apr-14	16.20	15.40	15.65	-1.57
May-14	19.80	15.00	18.05	15.34
Jun-14	24.95	18.25	21.25	17.73
Jul-14	23.40	17.90	19.00	-10.59
Aug-14	21.00	18.40	19.35	1.84
Sept-14	25.50	18.80	23.00	18.86
Oct-14	23.10	20.35	21.10	-8.26
Nov-14	28.60	20.65	26.05	23.46
Dec-14	32.65	25.25	30.55	17.27
Jan-15	32.90	27.40	27.50	-9.98
Feb-15	28.85	24.75	27.15	-1.27
Mar-15	28.00	21.05	23.75	-12.52

viii) Registrar & Share Transfer Agent:

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

M/s. Mcs Share Transfer Agent Limited

CIN NO.U67120WD2011PLC65872

12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700026

PHONE NUMBERS: 033-40724051/55, FAX NO. 033-40724050

Email id: uday_mcs@yahoo.in

ix) Share Transfer System:

M/s. MCS Share Transfer Agents Ltd, Kolkata, is the Registrar and Share Transfer Agents of the Company. As per the arrangement with them, the list of valid transfers prepared by the Transfer Agents in respect of share transfers cases received by them and objections, if any, is placed before the Share Transfer Committee of the Company. The Share Certificates are returned back to the shareholders by Transfer Agent normally within 15 days from the date of receipt by them.

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

x) Distribution of Shareholding as on 31st March, 2015:

Range of Number of Shares	SHAREHOLDERS		SHARES	
	Number	Percent	Number	Percent
1 - 500	6280	58.0997	1700576	1.8284
501 - 1000	2158	19.9648	2006294	2.1571
1001 - 2000	968	8.9555	1668888	1.7944
2001 - 3000	372	3.4416	1011420	1.0875
3001 - 4000	164	1.5173	604309	0.6497
4001 - 5000	262	2.4239	1278428	1.3745
5001 - 10000	301	2.7847	2361602	2.5391
10001 - 50000	244	2.2574	5165235	5.5535
50001 - 100000	35	0.3238	2503424	2.6916
And Above	25	0.2313	74707660	80.3240
TOTAL	10809	100.00	93007836	100.00

(xi) Dematerialisation of shares:

As on 31st March, 2015, 99.98 % of the capital comprising 92,985,916 Equity shares was in dematerialised form.

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion dates and likely impact on equity:

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

(xiii) Plant location:

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

Address for correspondence:

Registered Office : Chandigarh Road, Ludhiana-141 010.
Tel : 0161-2228943-48
Fax : 0161-2220766
E-mail : secretarial.lud@vardhman.com

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

DECLARATION UNDER CLAUSE 49

All the Board Members and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2014-15.

Place: Gurgaon
Dated: May 04, 2015

(S.P. Oswal)
Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

The Members,
Vardhman Acrylics Limited

We have examined the compliance of conditions of Corporate Governance by **Vardhman Acrylics Limited**, for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

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

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

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

Place : New Delhi
Dated : May 04, 2015

(CA Kamal Kishore)
Partner
Membership No.: 078017

Independent Auditor's Report

To
The Members,
Vardhman Acrylics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Vardhman Acrylics Limited ("the Company") which comprises the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in S.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 and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule (7) of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and design and implementation, and maintenance of adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of financial statement that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure, a statement on matters specified in paragraphs 3 and 4 of the order;
- As required by Section 143 (3) of the Act, we report that:
 - 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;
 - In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
 - The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid financial statements comply with accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - On the basis of written representations received from the directors as on 31st March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as director in terms of Section 164 (2) of the Act;
 - With respect to the other matters to be included, in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and accordingly explanations given to us;
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16A to the financial statements;
 - Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were to be transferred, to the Investor Education and Protection Fund by the Company.

For S.S. Kothari Mehta & Co.
Chartered Accounts
Firm's registration no.- 000756N

(Kamal Kishore)

Partner

Membership No. 078017

Place: New Delhi
Date: May 04, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As part of this programme, the management has physically verified certain fixed assets during the year. Discrepancies noticed on such verification as compared to book records, which were not material, have been properly adjusted in the books of account.
- (ii) (a) As explained to us, physical verification has been conducted by management at reasonable intervals in respect of finished goods, stores and spares and spares parts and raw material, Further, stock in the possession and custody of third parties and stock in transit as at 31st March, 2015 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.
- (b) The procedures for the physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly clauses 3(iii) (a) & (b) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets, are for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have been informed of any instance of a continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) In our Opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public as per directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant section of the Companies Act and the rules framed thereunder.
- (vi) We have broadly reviewed the cost accounting records maintained by the Company pursuant to 'The Companies (Cost Records and Audit) Rule, 2014', as notified by notification no. 425 (E) dated 30th June, 2014 of Ministry of Corporate Affairs, Government of India under section 148 of the Companies Act, 2013. We are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by Company. We are, however, not required to make a detailed examination of such books and records.
- (vii) (a) In our opinion and according to the information and explanations given to us and according to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues,

wherever applicable, have been regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.

- (b) According to the records of the company examined by us and the information and explanations given to us, there are no dues of income tax, value added tax, sales tax, Custom Duty, wealth tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute, *except the following in respect of disputed Excise duty, Sales tax, Income tax :*

Nature of Statute	Nature of Due	Forum where Dispute is Pending	Amount (In lacs)	Period to which the amount relates
The Central Excise and Salt Act, 1944	Cenvat Credit	CESTAT, Ahmedabad	1.17	2006-10
Income Tax Act, 1961	Income Tax	CIT (Appeals)	186.13	Assessment Year 2007-08
Income Tax Act, 1961	Income Tax	CIT (Appeals)	274.68	Assessment Year 2010-11
Income Tax Act, 1961	Income Tax	CIT (Appeals)	132.00	Assessment Year 2011-12
The Gujarat VAT Tax Act, 2003	VAT & CST	Joint Commissioner of Commercial Tax Appeal-2 Vadodara	178.16	2009-10
The Gujarat VAT Tax Act, 2003	VAT & CST	Gujarat Value Added Tax Tribunal Ahmedabad	112.54	2008-09
The Gujarat VAT Tax Act, 2003	VAT & CST	Joint Commissioner of Commercial Tax Appeal-2 Vadodara	27.74	2007-08

- (c) Company does not have any amount which is required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of Companies Act, 1956 and rules made thereunder.
- (viii) The Company does not have any accumulated losses as at the end of the financial year. There are no cash losses during the financial year under report and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of dues to any financial institutions or banks and debenture holder.
- (x) According to the information and explanations given to us, the Company has given a counter guarantee of ₹ 232.90 Lacs in favor of Gujarat Industrial Development Corporation (GIDC) in relation to the corporate guarantee provided by GIDC for availment of term loans by Bharuch ECO- Aqua Infrastructure Limited, the terms and Condition whereof are not, prima facie, prejudicial to the interest of the company.
- (xi) As per the information and explanations given to us and on the basis of our examination of the records, in our opinion, the term loans taken by the Company have been applied for the purpose for which the said loans were obtained, whenever such end use has been stipulated by lender(s).
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed and reported during the year, nor have we been informed of such case by the management

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

(Kamal Kishore)

Partner

Membership No. 078017

Place: New Delhi
Date: May 04, 2015

BALANCE SHEET as at 31st March, 2015

		(₹ in Lac)	
Particulars	Note no.	As at 31.03.2015	As at 31.03.2014
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	9,300.78	9,300.78
b) Reserves and Surplus	3	22,830.68	20,807.23
		<u>32,131.46</u>	<u>30,108.01</u>
2 Non-current liabilities			
a) Long-term borrowings	4		
b) Deferred tax liabilities (net)		1,474.71	1,520.87
c) Other long term liabilities		9.10	8.73
d) Long-term provisions		134.37	105.24
		<u>1,618.18</u>	<u>1,634.84</u>
3 Current liabilities			
a) Short-term borrowings	5	81.51	159.79
b) Trade payables		6,619.55	4,471.54
c) Other current liabilities		547.70	1,062.51
d) Short-term provisions		1,979.75	1,045.84
		<u>9,228.51</u>	<u>6,739.68</u>
TOTAL		<u>42,978.15</u>	<u>38,482.53</u>
II ASSETS			
1 Non-current assets			
a) Fixed assets	6		
i) Tangible assets		7,241.32	7,487.39
ii) Intangible assets		-	-
iii) Capital work-in-progress		234.42	293.68
		<u>7,475.74</u>	<u>7,781.07</u>
b) Non-current investments		10,664.75	7,675.78
c) Long-term loans and advances		45.82	45.56
d) Other non-current assets		0.23	0.23
		<u>18,186.54</u>	<u>15,502.64</u>
2 Current assets			
a) Current investments	7	15,590.53	11,736.48
b) Inventories		7,003.78	7,703.09
c) Trade receivables		148.41	1,027.95
d) Cash and cash equivalents		279.37	582.31
e) Short-term loans and advances		368.21	452.20
f) Other current assets		1,401.31	1,477.86
		<u>24,791.61</u>	<u>22,979.89</u>
TOTAL		<u>42,978.15</u>	<u>38,482.53</u>

See accompanying notes forming part of the financial statements 1 to 16

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

For and on behalf of Board

KAMAL KISHORE
Partner
Membership No.: 078017

RUCHITA VIJ
Company Secretary

VIVEK GUPTA
Chief Financial Officer

B.K. CHOUDHARY
Managing Director

S.P. OSWAL
Chairman

Place: New Delhi
Dated: May 04, 2015

Place: Gurgaon
Dated: May 04, 2015

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

(₹ in Lac)

Particulars	Note no.	As at 31.03.2015	As at 31.03.2014
i Revenue from operations (gross)	8	54,080.28	50,957.64
Less: Excise duty		4,272.46	4,108.66
Revenue from operations (net)		49,807.82	46,848.98
ii Other income	9	1,615.73	2,063.31
iii Total Revenue (i + ii)		51,423.55	48,912.29
iv Expenses :			
Cost of material consumed	10	25,244.33	22,641.20
Purchase of Stock-in-Trade	11	15,055.84	13,123.29
Changes in inventories of Finished goods, Work-in-Progress and Stock-in-Trade	12	58.48	185.68
Employee benefit expenses	13	1,147.56	973.19
Finance costs	14	30.17	52.57
Depreciation and amortization	6	476.87	1,136.76
Other expenses	15	4,948.81	4,876.16
Total Expenses		46,962.06	42,988.85
v Profit before exceptional and extraordinary items and tax (iii)-(iv)		4,461.49	5,923.44
vi Less : Exceptional items		-	-
vii Profit before extraordinary items and tax		4,461.49	5,923.44
viii Less : Extraordinary items		-	-
ix Profit before tax		4,461.49	5,923.44
x Less: Tax expense :			
- Current Tax		1,062.69	1,878.80
- Deferred tax		56.49	(322.18)
- Income tax adjustment for earlier years		-	-
xi Profit for the period after tax		3,342.31	4,366.82
Less : Prior Period Adjustments (Net)		0.20	(0.15)
Net Profit/(Loss)		3,342.11	4,366.97
Earning Per Share (Nominal value of equity share ₹ 10/-)			
- Basic		3.59	4.69
- Diluted		3.59	4.69
See accompanying notes forming part of the financial statements	1 to 16		

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

For and on behalf of Board

KAMAL KISHORE
Partner
Membership No.: 078017

RUCHITA VIJ
Company Secretary

VIVEK GUPTA
Chief Financial Officer

B.K. CHOUDHARY
Managing Director

S.P. OSWAL
Chairman

Place: New Delhi
Dated: May 04, 2015

Place: Gurgaon
Dated: May 04, 2015

CASH FLOW STATEMENT for the year ended 31st March, 2015

Particulars	(₹ in Lac)	
	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	4461.29	5923.59
Adjustments for :		
Depreciation and Amortization	476.87	1136.76
Interest paid	4.57	20.98
Interest received	(602.76)	(775.25)
(Profit)/Loss on sale of investment (net)	(693.76)	(873.97)
Dividend on long term investments	(199.49)	(355.37)
(Profit)/Loss on sale of assets (net)	(2.59)	-
Assets written off	10.84	-
Provision for diminution in value of investments	-	44.88
Bad debts written off/Excess Income Written off/Written off Dead items.	0.45	1.45
Liabilities/Provisions no longer required written back	(102.38)	(3.33)
Operating Profit before Working Capital changes	<u>3353.04</u>	<u>5119.74</u>
Adjustments for :		
Decrease/(Increase) in trade & other receivables	971.12	(932.59)
Decrease/(Increase) in Inventories	699.31	(1081.93)
(Decrease)/Increase in sundry creditors/current liabilities	1765.07	2291.85
Cash generation from operations	<u>6788.54</u>	<u>5397.07</u>
Direct Taxes Paid	(1253.47)	(1130.92)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>5535.07</u>	<u>4266.15</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(481.85)	(342.87)
Sale of fixed assets	5.44	-
Interest received	671.02	689.96
Dividend received	199.49	355.37
Sale of Investments in Mutual Funds/Liquid Funds/Debt Funds	10105.46	12577.37
Purchase of Investments in Mutual Funds/Liquid Funds/Debt Funds	(16254.72)	(17673.27)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	<u>(5755.16)</u>	<u>(4393.44)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy back of share capital	-	(202.94)
Proceeds/(Repayment) from short - term borrowings	(78.28)	(275.55)
Interest paid	(4.57)	(20.98)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES	<u>(82.85)</u>	<u>(499.47)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(302.94)</u>	<u>(626.77)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	582.31	1209.08
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR*	<u>279.37</u>	<u>582.31</u>

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

See accompanying notes forming part of the financial statements

1 to 16

As per our report of even date attached

For S.S. Kothari Mehta & Co.,

Chartered Accountants

Firm Registration No: 000756N

For and on behalf of Board

KAMAL KISHORE

Partner

Membership No.: 078017

RUCHITA VIJ

Company Secretary

VIVEK GUPTA

Chief Financial Officer

B.K. CHOUDHARY

Managing Director

S.P. OSWAL

Chairman

Place: New Delhi

Dated: May 04, 2015

Place: Gurgaon

Dated: May 04, 2015

SIGNIFICANT ACCOUNTING POLICIES

NOTE NO. 1 SIGNIFICANT ACCOUNTING POLICIES:

1.1) Basis of preparation of financial Statements:

The financial statements are prepared under the historical cost convention, on going concern basis, in terms of the Accounting Standard notified by Companies (Accounting Standards) Rules, 2006 in compliance of section 133 read with rule (7) of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting Policies not specially referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

1.2) Use of Estimates:

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

1.3) Revenue Recognition:

i) Sales:

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

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

ii) Investment:

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

iii) Interest:

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

iv) Dividend:

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

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

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

vi) Insurance and Other Claims

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

1.4) Employee Benefits:

a) Short Term Employee Benefit:

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

b) Post Employment Benefits:

i) Defined Contribution Plans:

1.1) Superannuation

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

1.2) Provident Fund

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

ii) Defined Benefit Plans

1.1) Gratuity

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

1.2) Leave with Wages:

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

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

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

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

1.6) Depreciation and Amortization:

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

1.7) Investments:

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

As at Balance sheet date the investments that are intended to be held for not more than one year are re-classified as current investments in order to comply with the requirements of Revised Schedule-VI.

1.8) Inventories:

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

- In case of raw materials, at weighted average cost plus direct expenses.
- In case of stores & spares, at weighted average cost plus direct expenses.
- In case of work-in-process, at raw material cost plus conversion cost depending upon the stage of completion.
- In case of finished goods, at raw material cost plus conversion cost, packing cost, excise duty and other overheads incurred to bring the goods to their present condition and location.

1.9) Cenvat Credit:

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

1.10) Expenditure incurred during construction period:

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

1.11) Subsidy:

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

1.12) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.13) Segment Information:

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

1.14) Operating Leases:

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

1.15) Foreign Currency Conversion / Translation:

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

1.16) Accounting for Taxes on Income:

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

1.17) Earning per Share:

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

1.18) Impairment of Assets:

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

1.19) Provision and Contingent Liabilities:

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

1.20) Cash and cash equivalents:

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

1.21) Cash flow Statement:

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

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

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

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 2. - SHARE CAPITAL		
Authorised		
Equity Shares, ₹ 10/- par value		
150,000,000 ₹ (Previous Year ₹ 150,000,000)	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, Subscribed and Paid-up		
Equity Shares, ₹ 10/- par value		
93,007,836 (Previous Year 93,007,836) equity shares fully paid up	9,300.78	9,300.78
Total issued, subscribed and fully paid-up share capital	9,300.78	9,300.78

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
At the beginning of the period	93,007,836	9,300.78	94,626,348	9,462.63
Add: Issued during the reporting period	-	-	-	-
Issued / bought back during the period	-	-	1,618,512	161.85
Outstanding at the end of period	93,007,836	9,300.78	93,007,836	9,300.78

(b) Terms/rights attached to equity shares

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

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

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

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

Particulars	As at 31.03.2015	As at 31.03.2014
Vardhman Textiles Limited, the holding Company		
65,800,834 (65,110,623) Equity Shares of ₹ 10/- each fully paid	6,580.08	6,511.06

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

Names of Shareholders	As at 31.03.2015		As at 31.03.2014	
	No. of shareholders	% of Shareholding	No. of shareholders	% of Shareholding
Vardhman Textiles Ltd.	65,800,834	70.75	65,110,623	70.01

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

- (e) The Board of Directors of the Company at its meeting held on 9th May, 2012 approved the buyback of upto 2 crore fully paid up equity shares of ₹ 10/- each, at a price not exceeding ₹ 12.50/- payable in cash, upto an aggregate amount not exceeding ₹ 25 crore from the open market through Stock Exchange(s). During the previous year, the Company had bought back and extinguished 1,618,512 Equity Shares of ₹ 10/- each. Consequently, ₹ 161.85 Lacs were transferred to Capital Redemption Reserve as per requirements of section 77AA of Companies Act, 1956.

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 3 - RESERVES AND SURPLUS		
Capital redemption reserve		
Balance as per the last financial statements	1,552.47	1,390.62
Add: amount transferred from surplus balance in the statement of profit and loss (refer note-2 (e))	-	161.85
	1,552.47	1,552.47
Closing Balance	1,552.47	1,552.47
General Reserve		
Balance as per the last financial statements	1,006.15	1,006.15
Add: amount transferred from surplus balance in the statement of profit and loss	3,000.00	-
	3,000.00	-
Closing Balance	4,006.15	1,006.15
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	18,248.61	14,084.57
Add: Profit for the period	3,342.11	4,366.97
Less: Premium on buy back of shares	-	41.08
Less: Transfer to capital redemption reserve (refer note-2 (e))	-	161.85
Less: Effect of change in Depreciation as per Companies Act, 2013	296.61	-
Add: Impact of Deferred Tax due to change in Depreciation rate with regard to Companies Act, 2013	102.65	-
Less: Appropriations	930.08	-
Proposed equity dividend (amount per share ₹ 1/-) (previous year ₹ Nil)	194.62	-
Corporate Divident Tax	3,000.00	-
Transferred to General reserve	-	-
	17,272.06	18,248.61
Net surplus in the statement of profit and loss	17,272.06	18,248.61
Total reserves and surplus	22,830.68	20,807.23
NOTE 4 - NON-CURRENT LIABILITIES		
a) Long-term borrowings :	-	-
b) Deferred tax liabilities (net)Refer Note no. 16.G	1,474.71	1,520.87
c) Other long term liabilities :		
- Other liabilities	9.10	8.73
	9.10	8.73
d) Long-term provisions :		
Provision for employee benefits		
- Provision for leave benefits (unfunded)	25.66	20.05
- Provision for gratuity (unfunded)	108.71	85.19
	134.37	105.24
	1,618.18	1,634.84

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 5 - CURRENT LIABILITIES		
a) Short-term borrowings :		
Secured :		
Cash credit from banks (secured)*	81.51	159.79
	81.51	159.79
*Cash credit from banks is secured by hypothecation of entire present and future tangible current assets and second charge on all immovable assets.		
b) Trade payables :		
i) Trade payables (including acceptances)		
- Dues to Micro, Small and Medium Enterprises. Refer Note no- 16.J	34.27	44.13
- Others	6,585.28	4,427.41
	6,619.55	4,471.54
c) Other current liabilities :		
i) Interest accrued but not due on borrowings		
	-	0.04
ii) Others		
- Trade deposits and advances	61.51	63.51
- Salaries and benefits	135.25	69.63
- Provision for expenses	278.80	802.41
- Withholding and other tax payables	72.14	126.92
	547.70	1,062.51
d) Short-term provisions :		
Provision for taxation (Net of advance taxes ₹ 8,835.13 Lacs, Previous year ₹ 7,581.66 Lacs)	855.05	1,045.84
Provision for proposed dividend on equity shares	930.08	-
Provision for tax on proposed dividend	194.62	-
	1,979.75	1,045.84

Notes to financial statements for the year ended 31st March 2015

NOTE 6 - NON-CURRENT ASSETS

a) FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK		
		As at 01.04.2014	Additions	Sales/ Adjustments	As at 31.03.2015	As at Depreciation 01.04.2014 for the year	Adjustments	Transferred to Retained earnings	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014	
Tangible Assets:												
1	Land - Leasehold	1,458.88	0.00	-	1,458.88	219.39	15.32*	-	-	234.71	1,224.17	1,239.49
2	Buildings	2,460.54	6.24	-	2,466.78	1,011.80	62.23	-	-	1,074.03	1,392.75	1,448.74
3	Plant & Machinery	19,831.73	521.61	57.06	20,296.28	15,127.40	383.96	(46.21)	284.81	15,749.96	4,546.32	4,704.33
4	Furniture & Fixtures	63.80	1.09	-	64.89	54.62	1.54	-	0.52	56.68	8.21	9.18
5	Vehicles	80.34	4.37	11.97	72.74	15.49	8.92	(9.12)	0.58	15.87	56.87	64.85
6	Office Equipment	112.99	7.80	-	120.79	92.19	4.90	-	10.70	107.79	13.00	20.80
Intangible Assets:												
Total		24,008.28	541.11	69.03	24,480.36	16,520.90	476.87	(55.33)	296.61	17,239.05	7,241.32	7,487.39
Previous Year		23,956.29	51.99	-	24,008.28	15,384.14	1,136.76	-	-	16,520.90	7,487.38	8,572.15
Capital Work-in-Progress												
										234.42	293.68	

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

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 6 - NON-CURRENT ASSETS - INVESTMENTS		
b) Non-current investments		
(valued at cost unless stated otherwise):		
1) Trade :	-	-
2) Non trade		
<u>Equity Shares</u>		
(Unquoted)		
1,647,525 (Previous Year 1,647,525) Equity Shares of Bharuch Eco-Aqua Infrastructure Ltd. of ₹ 10/- each fully paid up.	164.75	164.75
<u>Mutual Funds; Debt Funds; Fixed Maturity plans</u>		
(Quoted)		
<u>Investment in Mutual Fund</u>		
10,000,000 (Previous Year 10,000,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXV - Series 16 - Growth Plan	1,000.00	1,000.00
20,000,000 (Previous Year 20,000,000) Units of ₹ 10/- each of Kotak FMP Series 140 Growth	2,000.00	2,000.00
25,000,000 (Previous Year 25,000,000) Units of ₹ 10/- each of Kotak FMP Series 150 Growth	2,500.00	2,500.00
15,000,000 (Previous Year 15,000,000) Units of ₹ 10/- each of UTI Fixed Term Income Fund Series XVIII-I (400 Days) Direct Growth Plan	1,500.00	1,500.00
10,000,000 (Previous Year Nil) Units of ₹ 10/- each of DSP Blackrock FTP - Series 44 -36 Months - Direct Growth	1,000.00	-
25,000,000 (Previous Year NIL) Units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXIV - Growth Plan	2,500.00	-
<u>Investment in Bonds</u>		
Nil (Previous year 50,000) units of ₹ 1,000 each of 8.30% NHA1 Tax Free Bonds	-	511.03
	10,664.75	7,675.78
Aggregate book value of quoted investments	10,500.00	7,511.03
Market value of quoted investments	11,781.28	7,543.48
Aggregate book value of unquoted investments	164.75	164.75
c) Long-term loans and advances :		
(unsecured considered good, unless stated otherwise)		
i) Security deposits	42.66	42.68
ii) Other loans and advances		
- Prepaid Expenses	-	0.57
- Loans and advances to employees	3.16	2.31
	45.82	45.56
d) Other non-current assets :		
- Deposits with original maturity for more than twelve months	0.23	0.23
	0.23	0.23

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 7 - CURRENT ASSETS		
a) Current Investments (valued at lower of cost and fair value)		
<u>Bonds / Debentures / Debt Funds/ Monthly Income Plans</u> (Quoted)		
<u>Investment in Bonds</u>		
10,875 (Previous Year 10,875) 8% Tax-free Secured Redeemable Non-convertible Bonds of ₹ 1,000/- each of Indian Railway Finance Coproration Ltd (IRFCL)	108.75	108.75
Nil (Previous Year 7,360) 8.25% Zero Coupon Bonds of ₹ 13,578/- each of Rural Electrification Corporation of India Limited.	-	999.34
Nil (Previous Year 200,000) Units of ₹ 1,000/- each of 8.66% IIFCL Tax Free Bonds	-	2,000.00
3,330 (Previous Year 63,330) Units of ₹ 1,000/- each of 8.66% NTPC Tax Free Bonds	33.30	633.30
100,000 (Previous year 100,000) units of ₹ 1,000/- each of 8.51% HUDCO Tax Free Bonds	1,000.00	1,000.00
200 (Previous Year Nil) Units of ₹ 1,000,000/- each of IIFL Duration Product I-042	2,000.00	-
<u>Investment in Mutual Funds</u>		
Nil (Previous Year 25,000,000) Units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXIV - Growth Plan	-	2,500.00
Nil (Previous Year 313,356) Units of ₹ 1,000/- each of SBI Premier Liquid Fund - Direct Plan - Regular Plan Daily Dividend	-	3,143.75
60,779 (Previous Year 60,779) Units of ₹ 1,000/- each of Principal Bank CD Fund-Direct Plan Growth.	1,000.00	1,000.00
21,320,689 (Previous Year Nil) Units of ₹ 11.73/- each of JP Morgan Indian banking and PSU debt fund - Direct plan - Growth option	2,500.00	-
Nil (Previous Year 35,020) Units of ₹ 1,000/- each of SBI Premier Liquid Fund - Direct Plan Daily Dividend	-	351.34
150,039 (Previous Year Nil) Units of ₹ 1,000.39/- each of Principal Cash Management Fund - Direct Plan Dividend option Daily - Reinvestment	1,500.98	-
15,425 (Previous Year Nil) Units of ₹ 1,005/- each of SBI Ultra Short term debt fund - Direct Daily dividend	155.02	-
167,619 (Previous Year Nil) Units of ₹ 1,003.09/- each of SBI Ultra Short term debt fund - Regular daily dividend	1,681.65	-
18,945 (Previous Year Nil) Units of ₹ 1,003.25/- each of SBI Premier Liquid Fund - Direct Plan - Daily dividend	190.06	-
140,818 (Previous Year Nil) Units of ₹ 1,001.66/- each of Principal Debt Opportunities Fund Conservative Plan - Direct Plan Dividend Daily	1,410.79	-
50,412 (Previous Year Nil) Units of ₹ 1,011.62/- each of Kotak Floater short term - Direct plan - Daily dividend	509.98	-
22,430,779 (Previous Year Nil) Units of ₹ 11.15/- each of JP Morgan Indian banking and PSU debt fund - Regular plan - Growth option	2,500.00	-
5,777,241 (Previous Year Nil) Units of ₹ 17.31/- each of IDFC Dynamic bond fund - Growth -Direct plan	1,000.00	-
	15,590.53	11,736.48
Aggregate book value of quoted investments	15,590.53	11,736.48
Market value of quoted investments	15,795.64	12,135.12
Aggregate book value of unquoted investments	-	-

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

Particulars	As at 31.03.2015	As at 31.03.2014
b) Inventories (valued at lower of cost and net realizable value).		
- Raw Materials	2,012.02	4,322.88
- Raw Materials in transit	2,613.13	1,062.77
- Finished Goods	722.29	818.68
- Work In Process	270.51	232.60
- Stores and Spares	959.16	949.65
- Stores and Spares in transit	1.65	1.60
- Trading goods in transit (Fibre)	425.02	314.91
	7,003.78	7,703.09
c) Trade receivables		
(Unsecured, considered good unless stated otherwise)		
a) Outstanding for a period exceeding six months from the date they are due for payment		
i) Considered Good	18.54	12.68
ii) Considered Doubtful	4.84	4.84
b) Other Receivables : Considered Good	129.87	1,015.27
	153.25	1,032.79
Less : Provision for doubtful receivables	4.84	4.84
	148.41	1,027.95
Cash and bank balances		
d) Cash and cash equivalents :		
Balance with banks :		
- On current accounts	76.15	579.03
- On cash credit accounts	202.63	-
- Cash in hand	0.59	3.28
	279.37	582.31
e) Short-term loans and advances :		
(Unsecured, considered good)		
- For supply of goods and rendering of services	341.01	426.64
- Loans and advances to employees	7.08	7.03
- Prepaid expenses	15.52	14.45
- Security Deposits	4.60	4.08
	368.21	452.20
f) Other current assets :		
- Interest Accrued but not due	41.72	109.98
- Balances and Deposits with Government Authorities & Others	1,359.59	1,367.88
	1,401.31	1,477.86

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
NOTE 8 - REVENUE FROM OPERATIONS		
Sale of products		
Finished Goods (Fibre & Tow)	38,724.94	37,535.05
Trading Goods (Fibre)	15,307.58	13,207.69
Trading Goods (Acrylonitrile)	-	189.68
Other Operating Revenue	47.76	25.22
	54,080.28	50,957.64
Less : Excise duty	4,272.46	4,108.66
	49,807.82	46,848.98
NOTE 9 - OTHER INCOME		
Interest income		
- on inter company deposits and others	210.13	576.56
- on current investments	354.20	157.19
- on long-term investments	38.43	41.50
Dividend on investments	199.49	355.37
Net Gain on sale of investment		
- on long term investments	682.20	840.64
- on current investments	11.56	33.33
Insurance claims received	13.64	48.12
Sundry balances/Liabilities/Provisions no longer required, written back/off (net).	102.38	3.33
Other non operating income	1.11	7.27
Net Gain on sale of assets	2.59	-
	1,615.73	2,063.31
NOTE 10 - COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	4,322.88	3,164.63
Add : Purchases	22,933.47	23,799.45
	27,256.35	26,964.08
Less: inventory at the end of the year	2,012.02	4,322.88
Cost of raw material and components consumed	25,244.33	22,641.20
Raw materials consumed (Major Heads)		
Acrylonitrile	23,046.22	20,875.96
Vinyl Acetate Monomer	1,558.64	1,131.85
Others	639.47	633.39
	25,244.33	22,641.20
NOTE 11 - PURCHASES OF STOCK-IN-TRADE		
Acrylic Fibre	15,055.84	12,961.19
Acrylonitrile	-	162.10
	15,055.84	13,123.29
NOTE 12 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
Inventories at the beginning of the year		
Work-in-Process	232.60	251.18
Finished Goods	818.68	985.78
	1,051.28	1,236.96
Less - Inventories at the end of the year		
Work-in-Process	270.51	232.60
Finished Goods	722.29	818.68
	992.80	1,051.28
	58.48	185.68
Stock Particulars of Finished Goods	QTY (MT)	QTY (MT)
Fibre & Tow	460.30	818.68
	722.29	485.34

Notes to financial statements for the year ended 31st March 2015

(₹ in Lac)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
NOTE 13 - EMPLOYEE BENEFIT EXPENSES		
Salaries, wages and other allowances	1,063.03	900.21
Contribution to Provident and other Funds	55.56	47.15
Staff welfare expense	25.02	22.29
Recruitment expenses	3.95	3.54
	<u>1,147.56</u>	<u>973.19</u>
NOTE 14 - FINANCE COSTS		
Interest on		
- Working capital & others	4.57	20.98
- Bank & Other charges	25.60	31.59
	<u>30.17</u>	<u>52.57</u>
NOTE 15 - OTHER EXPENSES		
Power and fuel	2,572.86	2,266.41
Water charges	196.63	200.33
Consumption of stores and spares	433.51	342.54
Repair and maintenance		
- Machinery Repairs	431.94	439.68
- Building repairs	53.42	59.05
- Other repairs	6.30	3.19
Rent	6.44	6.28
Rates and Taxes	267.23	270.94
Insurance	27.77	28.57
Payment to auditor (Refer details below)	3.27	3.15
Legal and professional	23.06	33.00
Travelling and conveyance	30.77	22.38
Printing and Stationery	12.48	12.31
Postage, telegram and telephones	12.55	9.32
Bad debts written off / Excess Income Written off / Written off Dead items.	0.45	1.45
Exchange rate fluctuation (Net of Gain ₹ 833.89 Lacs, Previous year ₹ 809.59 Lacs)	104.95	367.97
Provision for diminution in value of investments	-	44.88
Fixed Assets written off	10.84	-
Increase / (decrease) of excise duty on inventory	(22.66)	(25.20)
Charity and donation	13.45	54.34
Allocation of common corporate expenses	80.72	76.00
Miscellaneous Expenses	54.24	44.98
Selling expenses and freight and forwarding charges	628.59	614.59
	<u>4,948.81</u>	<u>4,876.16</u>
Payment to auditor		
As auditor:		
- Audit Fee	1.91	1.57
- Tax Audit Fee	0.34	0.28
In other capacity		
- Other services	0.67	0.67
- Reimbursement of expenses	0.35	0.63
	<u>3.27</u>	<u>3.15</u>

Notes to financial statements for the year ended 31st March 2015

NOTE NO. – 16

(₹ in Lac)

	As at 31.03.2015	As at 31.03.2014
A. Contingent Liabilities not provided for:		
a) Letters of Credit Outstanding	1683.40	4487.28
b) Bank Guarantees	302.00	302.00
c) Service Tax, Excise duty and cenvat credit under dispute against which appeals have been filed / are being filed.	120.63	51.59
d) Company has contested demand in respect of Sales tax / VAT amounting to ₹ 406.75 lac (Previous year ₹ 406.75 lac). As against the above demand a sum of ₹ 45.04 Lac (Previous year ₹ 20.04 Lac) has been deposited under protest and stands under the head "Other current Asset-Balances and Deposits with Government Authorities & Others". The company has filed an appeal with Appellate Authorities and is advised that the demand is not in accordance with law. No Provision therefore, has been made in accounts in respect thereof.		
e) The Company has contested the additional demand in respect of income tax amounting to ₹ 1182.61 lac (Previous Year ₹ 899.56 lac). Pending appeal with appellate authorities, provision of ₹ 571.22 lac (Previous Year ₹ 293.09 lac) has not been made in the books of account as the company is confident to get the desired relief.		
f) Capital and other commitments:		
i) For commitments relating to lease arrangements, please refer note no – 16.E	-	-
ii) Corporate guarantees/undertaking issued on behalf of third parties.	-	232.90
iii) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	15.93	315.94

B. Employee Benefits:

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

(a) Changes in the present value of the obligations

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Present value of obligation as at beginning of the year	20.05	25.20	85.19	88.82
Interest cost	1.39	1.99	6.64	7.91
Past Service cost	-	-	-	-
Current service cost	12.38	9.71	14.17	10.95
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Benefits Paid	(5.01)	(6.63)	(2.31)	(3.74)
Actuarial (gain)/ loss on Obligations	(3.15)	(10.22)	5.03	(18.75)
Present value obligation as at end of the year	25.66	20.05	108.72	85.19

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

(c) Amount Recognized in Balance Sheet

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Estimated Present value of obligations as at the end of the year	25.66	20.05	108.72	85.19
Fair value of Plan Assets as at the end of the year	-	-	-	-
Unfunded Net Liability recognized in Balance Sheet	25.66	20.05	108.72	85.19

Notes to financial statements for the year ended 31st March 2015.

(d) Expenses Recognized in Statement of Profit & Loss

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Current service cost	12.38	9.71	14.17	10.95
Past Service cost	-	-	-	-
Interest cost	1.39	1.99	6.64	7.91
Expected return on Plan Assets	-	-	-	-
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(3.15)	(10.22)	5.03	(18.75)
Total Expense recognised in statement of Profit & Loss	10.62	1.48	25.84	0.11

Notes to financial statements for the year ended 31st March 2015

(e) Investment details of Fund: Not Applicable

(f) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average) (₹ in Lac)

Particulars	Leave (Unfunded)		Gratuity (Unfunded)	
	Current year	Previous Year	Current year	Previous Year
Discount Rate (per annum)	7.90%	9.10%	7.90%	9.10%
Rate of increase in compensation levels (per annum)	6.00%	6.50%	6.00%	6.00%
Rate of return on plan assets (per annum)	N.A.	N.A.	N.A.	N.A.
Expected Average remaining working lives of employees (years)	25.97	26.27	25.97	26.27
Method Used	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

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

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

Particulars	Leave		Leave Travel Encashment		Ex-Gratia	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability as at beginning of the year	10.60	7.69	6.74	6.08	7.61	5.32
Liability as at the end of the year	13.20	10.60	8.68	6.74	7.12	7.61
Benefits paid	-	-	(3.37)	(3.38)	(7.61)	(5.32)
Amount debited to Statement of profit & loss	2.60	2.91	5.31	4.04	7.12	7.61

(h) During the year, the company has recognized an expense of ₹50.71 Lac (Previous Year ₹ 44.34 Lac) in respect of Contribution to Provident Fund and ₹4.85 Lac (Previous Year ₹2.81 Lac) in respect of Contribution to Superannuation Scheme.

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

D. Related Party Disclosure:

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

- I Key Management Personnel : Mr. B. K. Choudhary (Managing Director)
- II Holding Company : Vardhman Textiles Limited
- III Fellow Subsidiary Companies : VMT Spinning Company Limited,
: VTL Investments Limited,
: Vardhman Yarns and Threads Limited,
: Vardhman Nisshinbo Garments Company Limited

b) Details of transactions entered into with related parties during the year as required by Accounting Standard (AS) – 18 on "Related Party Disclosures" of Companies (Accounting Standards) Rules 2006. (₹ in Lac)

Sr. No.	Particulars	Holding Company Vardhman Textiles Ltd.		Fellow Subsidiary Companies		Key Management Personnel (KMP)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Sale of goods (Net of discount)	29,050.32	25,543.07	35.13	-	-	-	29,085.45	25,543.07
2	Purchase of goods	2.38	46.97	-	-	-	-	2.38	46.97
3	Reimbursement of Common Corporate Expense (including Service Tax)	84.83	85.39	-	-	-	-	84.83	85.39
4	Interest paid on ICDs and current account balances	-	-	-	-	-	-	-	-
5	Interest Received from ICDs and current account balances	184.71	438.76	0.60	-	-	-	185.31	438.76
6	Contractual remuneration	-	-	-	-	57.83*	43.77*	57.83	43.77
7	Loan taken (including opening balance)	500.00	-	-	-	-	-	500.00	-
8	Loan repaid	500.00	-	-	-	-	-	500.00	-
9	Closing balance of loans received	-	-	-	-	-	-	-	-
10	Loan given (including opening balance)	24,073.00	75,878.46	-	-	-	-	24,073.00	75,878.46
11	Loan repaid	24,073.00	75,878.46	-	-	-	-	24,073.00	75,878.46
12	Closing balance of loans given	-	-	-	-	-	-	-	-
13	Rent paid (excluding Service Tax)	2.76	2.68	-	-	-	-	2.76	2.68

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

Notes to financial statements for the year ended 31st March 2015**E. Operating lease: company as lessee**

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

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

Particulars	As at	As at
	31st March 2015	31st March 2014
Within one year	6.44	6.28
Total	6.44	6.28

F. Earning Per Share

The calculation of Earning Per Share (EPS) as disclosed in the Statement of profit and loss has been made in accordance with Accounting Standard (AS)-20 on "Earning Per Share" referred to in the Companies (Accounts) Rules, 2014.

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

Particulars	Current Year	Previous Year
Profit after tax and adjustments	3,342.11	4,366.97
Total (A)	3,342.11	4,366.97
Weighted average number of equity shares (No. in lac)	930.08	930.92
Total (B)	930.08	930.92
Earning per share : Basic / Diluted (A/B) ₹	3.59	4.69

G. a) Deferred Tax Liability (Net) as on 31st March, 2015 is as follows:

(₹ in Lac)

Particulars	Current Year	Previous Year
Difference between book and tax depreciation	1489.80	1564.59
Deferred Tax Assets arising on account of timing difference		
- Disallowed under section 43B of the Income Tax Act 1961	13.43	42.08
- Provision for doubtful debts	1.66	1.64
Net Deferred Tax Liability	1474.71	1520.87

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

H. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from 1st April 2014, the Company has recalculated the remaining useful life of fixed assets in accordance with provisions of Schedule II to the Act. In case of Fixed assets which have already completed their useful life in terms of Schedule II of the Act, the carrying value (net of residual value) of such assets as at 1st April 2014 amounting to ₹ 296.61 Lacs has been adjusted to Retained Earnings and in case of other fixed assets the carrying value (net of residual value) is being depreciated as per Straight line method over the re-calculated remaining useful life. The depreciation and amortisation expense charged for the period ended 31st March, 2015 would have been higher by ₹ 671.60 Lacs respectively, had the Company continued with the previously prescribed depreciation rates as per Schedule-XIV of Companies Act, 1956.

I. In accordance with the Accounting Standard (AS)-28 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications (listed in paragraphs 8 to 10 of the Standard) with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

Notes to financial statements for the year ended 31st March 2013.

J. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

K. Disclosure required by Clause 32 of Listing Agreement:

The Company has given inter corporate deposits aggregating to ₹ 24,073.00 lacs (Previous Year ₹ 75,878.46 lacs) to M/s Vardhman Textiles Ltd. during the year. The maximum amount outstanding during the year was ₹ 7,021.00 lacs (Previous Year ₹ 9,458.46 Lacs). The Balance outstanding as on 31.03.15 is Nil (Previous Year is ₹ Nil).

L. Excise Duty amounting to ₹ 4,272.47 Lacs (Previous Year ₹ 4,108.66 Lacs) has been reduced from gross turnover as the same is included in the figure of gross turnover. Further the difference of excise duty between the closing stock and opening stock has been disclosed separately in the statement of profit and loss.

M. In the opinion of the Board, current assets, loans and advances have a value in the ordinary course of business at least equal to that stated in the Balance Sheet.

Notes to financial statements for the year ended 31st March 2015

N. The company uses forward contracts to hedge its risk associated with fluctuation in foreign currency relating to foreign currency assets and liabilities, firm commitment and highly probable forecast transactions. The use of the aforesaid financial instruments is governed by the company's overall strategy. The company does not use forward contracts and options for speculative purposes. The detail of the outstanding forward contracts as at 31st March, 2015 is as under:

(₹ in Lac)

Particulars	Current Year		Previous Year	
	No. of Contracts	Amount in Foreign Currency (Lac)	No. of Contracts	Amount in Foreign Currency (Lac)
a) Category wise quantitative data				
Forward contracts against imports (USD)	22	124.71	22	135.98
Forward contracts against imports (JPY)	-	-	1	138.00

Notes to financial statements for the year ended 31st March 2014.

O. Additional information pursuant to the Part II of Schedule III to the Companies Act, 2013.

	Current Year	Previous Year
(1) CIF Value of Imports		
Raw Materials	19754.83	21302.21
Stores & Spares	132.82	90.26
Acrylic Fibre	12552.20	10610.41
Total	32439.85	32002.88
(2) Expenditure in Foreign Currency		
Travelling	0.97	0.76
Subscription	7.36	6.64
Professional Charges	-	6.14
Total	8.33	13.54

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

	Current Year		Previous Year	
	Amount	%	Amount	%
I Raw Materials:				
Imported	23082.78	91.44	20261.35	89.49
Indigenous	2161.55	8.56	2379.85	10.51
Total	25244.33	100.00	22641.20	100.00
II Components and Spare Parts:				
Imported	110.27	25.44	40.28	11.76
Indigenous	323.24	74.56	302.26	88.24
Total	433.51	100.00	342.54	100.00

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

For and on behalf of Board

KAMAL KISHORE
Partner
Membership No.: 078017

RUCHITA VIJ
Company Secretary

VIVEK GUPTA
Chief Financial Officer

B.K. CHOUDHARY
Managing Director

S.P. OSWAL
Chairman

Place: New Delhi
Dated: May 04, 2015

Place: Gurgaon
Dated: May 04, 2015

**ATTENDANCE SLIP
E-VOTING PARTICULARS**

VARDHMAN ACRYLICS LIMITED

CIN: L51497PB1900PLC019212
 Premises, Chandigarh Road, Ludhiana - 141 010 (Punjab), India.
 Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040.
 E-mail: secretarial.ltd@vardhman.com; Website: www.vardhman.com.

25th ANNUAL GENERAL MEETING

2015

I/We hereby record my presence at the 25th Annual General Meeting of Vardhman Acrylics Limited held at Vardhman Premises, Chandigarh Road, Ludhiana 141 010 on Friday, the 4th September, 2015 at 03.00 p.m.

Member's Folio/DP ID-Client ID No. Member's Proxy's name in Block Letters
 Note: Member's Proxy's Signature

- Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting place.
- Electronically, the Annual Report for 2014-15 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
- Physical copy of Annual Report for 2014-15 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

SEQUENCE NO.

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

NOTE: Please read instructions given at Point No. 16 of the Notice of 25th Annual General Meeting annexed in the Annual Report for 2014-15 of the Company, carefully before voting electronically.

VARDHMAN ACRYLICS LIMITED

CIN: L51497PB1900PLC019212
 Premises, Chandigarh Road, Ludhiana - 141 010 (Punjab), India.
 Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040.
 E-mail: secretarial.ltd@vardhman.com; Website: www.vardhman.com.

25th ANNUAL GENERAL MEETING

2015

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

1. Name : Address : Signature: or falling him;

E-mail Id : Signature: or falling him;

2. Name : Address : Signature: or falling him;

E-mail Id : Signature: or falling him;

3. Name : Address : Signature: or falling him;

E-mail Id : Signature: or falling him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Friday, the 4th September, 2015 at 03.00 pm at Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- Ordinary Business**
- Adoption of Financial Statements, Reports of Directors and Auditors of the Company for the Financial Year ended 31st March, 2015.
 - Declaration of Dividend on equity shares.
 - Re-appointment of Mr. D. L. Sharma, who retires by rotation.
 - Ratification of the appointment of Statutory Auditor of the Company for the Financial Year 2015-16 and fix their remuneration.
- Special Business**
- Ratification of the remuneration of the Cost Auditor of the Company for Financial Year ended 31st March 2016.
 - Increase the sitting fees payable to the Directors.
 - Enter into Related Party transactions.

Signature of shareholder Signature of Proxy holder(s)

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

After Revenue Stamp not less than Rs. 0.15

**ATTENDANCE SLIP
E-VOTING PARTICULARS**

VARDHMAN ACRYLICS LIMITED

CIN: L51497PB1900PLC019212
 Premises, Chandigarh Road, Ludhiana - 141 010 (Punjab), India.
 Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040.
 E-mail: secretarial.ltd@vardhman.com; Website: www.vardhman.com.

25th ANNUAL GENERAL MEETING

2015

I/We hereby record my presence at the 25th Annual General Meeting of Vardhman Acrylics Limited held at Vardhman Premises, Chandigarh Road, Ludhiana 141 010 on Friday, the 4th September, 2015 at 03.00 p.m.

Member's Folio/DP ID-Client ID No. Member's Proxy's name in Block Letters
 Note: Member's Proxy's Signature

- Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting place.
- Electronically, the Annual Report for 2014-15 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
- Physical copy of Annual Report for 2014-15 alongwith Attendance Slip and Proxy Form is sent in permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

ELECTRONIC VOTING PARTICULARS

SEQUENCE NO.

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

NOTE: Please read instructions given at Point No. 16 of the Notice of 25th Annual General Meeting annexed in the Annual Report for 2014-15 of the Company, carefully before voting electronically.

VARDHMAN ACRYLICS LIMITED

CIN: L51497PB1900PLC019212
 Premises, Chandigarh Road, Ludhiana - 141 010 (Punjab), India.
 Phone No.: 0161-2228943-48, Fax: 0161-2601048, 2222616, 2601040.
 E-mail: secretarial.ltd@vardhman.com; Website: www.vardhman.com.

25th ANNUAL GENERAL MEETING

2015

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

1. Name : Address : Signature: or falling him;

E-mail Id : Signature: or falling him;

2. Name : Address : Signature: or falling him;

E-mail Id : Signature: or falling him;

3. Name : Address : Signature: or falling him;

E-mail Id : Signature: or falling him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Friday, the 4th September, 2015 at 03.00 pm at Vardhman Premises, Chandigarh Road, Ludhiana - 141 010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- Ordinary Business**
- Adoption of Financial Statements, Reports of Directors and Auditors of the Company for the Financial Year ended 31st March, 2015.
 - Declaration of Dividend on equity shares.
 - Re-appointment of Mr. D. L. Sharma, who retires by rotation.
 - Ratification of the appointment of Statutory Auditor of the Company for the Financial Year 2015-16 and fix their remuneration.
- Special Business**
- Ratification of the remuneration of the Cost Auditor of the Company for Financial Year ended 31st March 2016.
 - Increase the sitting fees payable to the Directors.
 - Enter into Related Party transactions.

Signature of shareholder Signature of Proxy holder(s)

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

After Revenue Stamp not less than Rs. 0.15