



Vardhman

Delivering Excellence. Since 1965.

VARDHMAN ACRYLICS LIMITED

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

Ref. VAL:SCY:JUN:2020-21

Dated: 19.06.2020

National Stock Exchange of India Limited,
"Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI-400 051

Scrip Code: VARDHACRLC

SUB: DISCLOSURE UNDER REGULATION 30 & 33 OF SEBI LISTING OBLIGATIONS

Dear Sir,

Pursuant to Regulation 30 read with Part A of Schedule III and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Audited Financial Results of the Company for the financial year ended 31st March, 2020 together with Auditors' Report as approved by Board of Directors in its meeting held on 19th June, 2020.

The Report of Auditors is with unmodified opinion with respect to the Audited Financial Results of the Company for the financial year ended 31st March, 2020.

The meeting of the Board of Directors commenced at 04:30 p.m. and concluded at 06:30 p.m.

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

Thanking you,

Yours faithfully,
For **VARDHMAN ACRYLICS LIMITED**

Satin Katyal

(Satin Katyal)
Company Secretary



YARNS | FABRICS | THREADS | GARMENTS | FIBRES | STEELS

VARDHMAN ACRYLICS LTD
 Regd. Office : Chandigarh Road, Ludhiana-141010
 Audited Financial Results for the Quarter and year ended 31st March, 2020
 Corporate Identity Number (CIN): L51491PB1990PLC019212, PAN: AAACV7602E
 Website: www.vardhman.com Email: secretarial.lud@vardhman.com

Particulars	Rs. In Crores				
	Quarter Ended 31st March, 2020	Quarter Ended 31st December, 2019	Quarter Ended 31st March, 2019	Year Ended 31st March, 2020	Year Ended 31st March, 2019
	Audited (Refer Note no.8)	Unaudited	Audited (Refer Note no.8)	Audited	Audited
1 Income From Operations					
a) Gross Sales/Income From Operations	83.37	81.99	78.88	334.37	391.96
b) Other Operating Income	8.50	6.67	5.84	26.61	24.75
Total Income from operations	91.87	88.66	84.72	360.98	416.71
2 Expenses					
a) Cost of Materials Consumed	52.19	56.02	43.47	237.32	288.31
b) Purchase of Stocks- In Trade	3.72	-	-	3.72	4.37
c) Change in Inventories of Finished Goods, works -in progress and stock -in- trade	6.00	8.18	8.65	(1.48)	4.88
d) Employee Benefits Expenses	4.18	3.98	3.67	15.75	14.57
e) Depreciation and Amortisation Expense	1.31	1.31	1.75	5.23	5.40
f) Power & Fuel	5.93	5.85	5.65	25.46	23.97
g) Finance Cost	0.08	0.15	0.21	0.30	0.44
h) Other Expenses	7.33	7.41	8.17	26.82	28.03
Total Expenses	80.75	82.90	71.58	313.12	369.98
3 Profit/(Loss) before exceptional Items and Tax (1-2)	11.12	5.76	13.14	47.86	46.73
4 Exceptional Items	-	-	-	-	-
5 Profit/(Loss) before Tax (3 - 4)	11.12	5.76	13.14	47.86	46.73
6 Tax Expense					
Current Tax	3.83	0.41	1.82	10.63	12.33
Deferred Tax	(3.77)	(2.40)	1.51	(9.04)	(0.09)
7 Net Profit/(Loss) after Tax (5 - 6)	11.06	7.75	9.81	46.27	34.49
8 Other Comprehensive income / (Loss)	(0.27)	-	(0.83)	(0.27)	(0.83)
9 Total Comprehensive income (7+8)	10.78	7.75	8.97	45.99	33.65
10 Paid-up Equity Capital (Face Value Rs. 10/- per share)	80.36	80.36	80.36	80.36	80.36
11 Reserve excluding Revaluation Reserves as per Balance Sheet of previous accounting year				275.06	253.29
12 Earnings Per Share (of Rs. 10/- each) (in Rs.) (not annualized):					
(a) Basic	1.38	0.96	1.22	5.76	4.29
(b) Diluted	1.38	0.96	1.22	5.76	4.29



VARDHMAN ACRYLICS LIMITED
BALANCE SHEET As at 31st March, 2020

(Rs. in Crores)

Particulars	As at 31st March, 2020 (Audited)	As at 31st March 2019 (Audited)
ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	52.36	51.59
(b) Capital work-in-progress	0.02	0.03
(c) Right of Use Asset (Refer Note-4)	11.47	-
(d) Financial Assets		
-Investments	63.10	58.34
-Loans	0.00	0.00
-Other financial assets	19.96	-
(e) Other non-current Assets	0.49	11.98
Total of Non-current assets	147.41	121.94
2 Current assets		
(a) Inventories	60.47	76.37
(b) Financial Assets		
- Investments	96.91	225.62
-Trade receivables	9.50	15.60
-Cash and Cash Equivalents	62.80	1.77
-Bank Balance other than Cash equivalents	61.79	0.73
- Loans	0.02	0.01
-Other financial assets	2.66	0.30
(c) Other current assets	11.75	10.98
Total of Current assets	305.90	331.38
TOTAL OF ASSETS	453.31	453.32
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	80.36	80.36
(b) Other Equity	275.06	253.29
Total of Equity	355.43	333.66
Liabilities		
1 Non-current liabilities		
(a) Financial Liabilities		
-Borrowings	-	-
-Other financial liabilities	-	-
-Lease liability (Refer Note-4)	0.00	-
(b) Provisions	0.57	0.51
(c) Deferred tax liabilities (Net)	10.56	19.60
(d) Other non-current liabilities	0.09	0.08
Total of Non-current liabilities	11.22	20.18
2 Current liabilities		
(a) Financial Liabilities		
-Borrowings	1.42	0.75
-Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	0.33	0.30
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	54.01	68.27
-Other financial liabilities	4.26	5.98
(b) Other current liabilities	1.53	1.04
(c) Provisions	0.08	0.10
(e) Current tax liabilities (net)	25.02	23.04
Total of Current liabilities	86.66	99.48
TOTAL OF EQUITY AND LIABILITIES	453.31	453.32



VARDHMAN ACRYLICS LIMITED

Regd. Office : Chandigarh Road, Ludhiana-141010

Statement of Consolidated Cash Flows for the year ended March 31, 2020

(Rs. In Crores)

Particulars	Year Ended March 31, 2020 Unaudited	Year Ended March 31, 2019 Unaudited
Net cash flow from operating activities		
Net Profit before Tax	47.86	46.73
Operating profit before working capital changes	29.40	31.52
A) Net cash generated from operating activities	4.17	25.51
B) Net Cash from/(used) in Investing Activities	80.47	(7.79)
C) Net cash (used) in financing activities	(23.61)	(20.04)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	61.03	(2.33)
Add: Cash and cash equivalents as at beginning of the year	1.77	4.09
Cash and cash equivalents as at end of the period	62.80	1.77



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VARDHMAN ACRYLICS LTD

Regd. Office : Chandigarh Road, Ludhiana-141010

Audited Financial Results for the Quarter and year ended 31st March, 2020

Corporate Identity Number (CIN): L51491PB1990PLC019212, PAN: AAACV7602E

Website: www.vardhman.com Email: secretarial.lud@vardhman.com

NOTES:

1. The Company has only one segment of Acrylic Fibre and accordingly, there is no reportable segment as required by Indian Accounting Standards (IndAS) - 108 "Operating Segment" notified by the Companies (Accounting Standards) Rules, 2015.
2. The format for quarterly results is as prescribed in Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI circular CIR/CFD/CMD/44/2019 dated March 29, 2019. The financial results have been prepared in accordance with Indian accounting standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder.
3. During the quarter ended 31st December 2019, the company elected to exercise the option permitted under Section 115BAA of the income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognized provision for income-tax for the year ended 31 March 2020 and re-measured its deferred tax assets/liabilities based on the rate prescribed in the said section. The impact of this change has been recognized in the statement of profit and loss over the period from 1 October 2019 to 31 March 2020.
4. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarters and year ended March 31, 2019 have not been retrospectively adjusted. On transition, "Right of use asset" and a corresponding "Lease Liabilities" has been recognised as at April 1, 2019 but amount is negligible. Further, in respect of leases which were classified as operating leases, applying Ind AS 116, Rs. 11.63 crores has been reclassified from "Other Assets" to "Right of Use Asset". The effect of this adoption is not material on the profit for the period and earnings per share.
5. On account of COVID-19 pandemic the Company has made assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables as at the date of the balance sheet. The Company has considered internal and external sources of information for making said assessment. Basis the evaluation of the current estimates, the Company expects to recover the carrying amount of these assets and no material adjustments is required in the financial statements. Given the uncertainties associated with nature, condition and duration of COVID-19, the Company will closely monitor any material changes arising of the future economic conditions and impact on its business.
6. Figures for previous periods have been re-arranged/re-grouped, wherever necessary to make them comparable.
7. The Board of Directors has approved the above results in its meeting held on 19.06.2020. The results for quarter and year ended 31st March 2020 have been reviewed by Statutory Auditors as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. The figures for the quarter ended March 21 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 31st December.

Date : 19.06.2020
Place : Ludhiana


S.P. Oswal
(Chairman)



Independent Auditor's Report on the Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Vardhman Acrylics Limited

Report on the audit of the Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of Vardhman Acrylics Limited ("the Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard: and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that



were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in Our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our



audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.

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

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

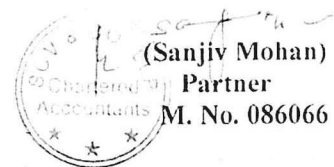
Other Matters

- (i) Due to the COVID-19 related lockdown, we were unable to observe the management's year-end physical verification of inventory. We have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence- Specific considerations for selected items", which includes inspection of supporting documentation relating to purchases, production, sales, results of cyclical count performed by the management through the year, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial results.
- (ii) The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by us, as required under the Listing Regulations.

Our opinion on the Statement is not modified in respect of the above matters.

For SCV & Co. LLP
Chartered Accountants
FRN 00235N/N500089

Dated: 19 June 2020
Place: Ludhiana



UDIN - 20086066AAAAES7254