

Directors' Report

Dear Members,

The Directors of your Company have pleasure in presenting their 30th Annual Report of the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March, 2020.

1. Financial Results:

The financial performance of your Company for the year ended 31st March, 2020 is as under:

Particulars	(₹ in Lakhs)	
	2019-20	2018-19
Revenue from operations (Net)	33,436.87	39,196.35
Other Income	2,660.74	2,474.68
Profit before Depreciation, Interest & Tax (PBDIT)	5,338.36	5,256.86
Interest and Financial expenses	29.67	43.97
Profit before Depreciation and Tax (PBDT)	5,308.69	5,212.89
Depreciation	523.09	539.79
Profit before Tax (PBT)	4,785.60	4,673.10
Provision for Tax - Current	1,062.89	1,233.13
- Deferred Tax (Net of Adjustment)	(903.79)	(8.79)
- Total tax Expenses	159.10	1,224.34
Profit after tax (PAT)	4,626.50	3,448.76
Other Comprehensive Income	(27.49)	(83.50)
Total Comprehensive Income for the period	4,599.02	3,365.26
Earnings per share (₹)		
- Basic	5.76	4.29
- Diluted	5.76	4.29

2. Management Discussions and Analysis Report:

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

A. Acrylic Fiber Industry-Global and Indian Perspective:

Due to ongoing geo-political issues in world especially the trade tension amongst various countries, global GDP and trade were on a downslide in 2019. GDP growth rate of World, USA, China and India in year 2019 were lower as compared to year 2018. Textile

industry has been adversely affected world over due to these trade tensions and the consequential impacts. Acrylic Fiber consumption also witnessed significant erosion with China contributing the highest drop both in production and consumption. The rest of the major global Acrylic Fiber producers also suffered due to overall slowdown of global economy.

Acrylonitrile, which is the primary raw material for Acrylic Fiber is a crude oil derivative. Crude Oil prices in 2019-20 moved largely in a narrow range except for a sharp fall in Jan-20 to Mar-20 reflecting surplus availability on account of impact of Covid-19

pandemic. Despite new capacity addition of 260 KTPA and additional brown field capacity increase of 20 KTPA in Far East Asia, the price movement of ACN was rather in narrow range. Relatively stable crude oil prices also supported lower volatility in ACN prices.

Locally, in India, adverse effect of global slowdown and increased imports were clearly visible. Capacity utilization of domestic Acrylic Fiber industry was low. Large quantity imports at lower prices took place from various countries. Total imports during the year 2019-20 were the highest seen in the past decade. Such imports had an adverse impact on both sales volume and margins of your Company as well overall domestic Acrylic Fiber producing industry. Domestic Acrylic Fiber industry has represented before government of India the grave threat posed by dumping to the domestic industry and the need for suitable measures.

B. Financial Analysis and Review Of Operations:

• **Production & Sales Review:**

Your Company has achieved a turnover of ₹33,436.87 lakhs against a turnover of ₹ 39,196.35 lakhs in the previous year. After providing for depreciation of ₹ 523.09 lakhs (previous year ₹ 539.79 lakhs) and provision for current tax of ₹1,062.89 lakhs (previous year ₹1,233.13 lakhs), deferred tax of ₹(903.79) lakhs (previous year ₹ (8.79) lakhs), Profit after Tax (after considering Other Comprehensive Income) of the Company is ₹ 4,599.02 lakhs as against ₹ 3,365.26 lakhs in the previous year. This is about 36.67% higher than 2018-19.

Resource Utilization:

(a) **Fixed Assets:**

The gross fixed assets (including work in-progress) as at 31st March, 2020 were ₹8,808.95 lakhs as compared to ₹7,062.10 lakhs in the previous year.

(b) **Current Assets:**

The current assets as on 31st March, 2020 were ₹30,589.85 lakhs as against ₹33,138.03 lakhs in the previous year. Inventory level was at ₹6,047.02 lakhs as against ₹7,637.15 lakhs in the previous year.

Financial Conditions & Liquidity:

Liquidity & Capital Resources:

Particulars	(₹ in Lakhs)	
	2019-20	2018-19
Cash & cash equivalents:		
Beginning of the year	176.70	409.29
End of the year	6,279.64	176.70
Net cash provided/ (used) by:		
Operating Activities	416.74	2,550.60
Investing Activities	8,047.29	(778.77)
Financial Activities	(2,361.09)	(2,004.42)

C. Capacity Enhancement Programme

Your Company has been periodically enhancing production capacity by internal efforts since last about a decade. Company now has the necessary approvals to produce 22,000 MT pa. Company took steps during the year 2019-20 to implement the first phase of capacity enhancement programme. This phase of the capacity enhancement has been completed in March 2020 and the capacity now stands enhanced to 21,000 MT pa. Company is now working on second phase of capacity enhancement to 22,000 MT pa likely to be achieved in next financial year. Increase in production is expected to enhance market share of the company, effect savings in operational costs and shore-up profitability.

D. Business Outlook

Effect of Covid19 pandemic on world economy and businesses is far and wide. Company had to shut its operations in March 2020 in compliance with the lockdown advised by the union government and the operations were resumed in May 2020. Global GDP and Trade are being forecast to witness large drop in CY2020 and a part of CY2021 also. Atleast economic growth for the financial year 2020-21 seems to be bleak.

Demand for products of your Company is likely to be lower in FY21 compared to FY20. However, there are factors that may restrict this drop in demand. The finished products made from acrylic fiber of the company are used mainly during the winter season

and are thus seasonable products in nature. In case Covid-19 spread comes under check before onset of winter, it is likely to restrict the drop in Acrylic Fiber demand. Raw material of Acrylic Fiber is a crude oil derivative. Relative lower crude oil prices may lead to cheaper raw material prices which may support consumption. At the same time it is important to note that the crude oil prices and those of its derivatives are likely to remain volatile. Both normal monsoon, as is being forecast currently which will boost agriculture income and the government's thrust on increasing rural incomes are good for demand of Acrylic Fiber.

Global Acrylic Fiber demand is likely to be hit more than Indian demand and a large surplus is likely to emerge. Acrylic Fiber capacities in major producing countries outside India have been running at lower operating rates in the last few months. Many of these, especially those dependent upon exports are expected to continue to be hit most leading to heightened threat of dumping. This development may lead to an adverse impact on margins of your Company.

E. Major Risk and Area of Concern

The adverse impact of Covid-19 pandemic on demand of products of your company is likely to be substantial. The environment of uncertainty prevailing in our country and globally on how long this pandemic will continue in the world including India add to the present concern. Few factors such as relatively stable inflation rate at lower level, normal monsoon forecast and government policy on supporting rural incomes may help restricting the demand drop. Relatively lower crude oil price and impact of the same on entire petro-chain may keep ACN prices at lower level though volatility in crude oil prices and petro derivatives chain may be higher. To sum up, FY 2020-21 is likely to be full of uncertainty & challenges. Dumping of Acrylic Fiber by various countries is likely to add to the woes of domestic acrylic fiber industry.

F. Internal Control Systems and their Adequacy:

The Company reviews its Systems and Processes periodically to assess their robustness and sufficiency in view of business requirements, best industrial practices, corporate governance, statutory compliances, controls and audit purpose. This is supplemented by a bi-annual Internal Audit to identify areas that might need further review and attention of Senior Management. Recommendations of Internal and Statutory Auditors are viewed as an opportunity to look at our system from an independent view. Senior Management of your Company is committed to make the operations process driven and transparent and strengthen informed decision making so as to minimize chances of deviations and taken timely corrective action.

G. Internal Financial Control:

The Company has in place requisite and adequate controls for financial matters to ensure all compliances - internal as well as statutory. The systems related to these matters are regularly reviewed and updated to keep them in sync with changing times. During the year, no reportable material weakness in the design or operation was observed.

H. Material Developments in Human Resources/ Industrial Relations:

The development of human resource through systematic training, building of congenial work environment, installing culture of ownership and promotion of innovative thinking and approach have always received utmost attention and focus in your Company. Your company has been continuously endeavoring on strengthening culture of team work and commitment to excellence. The industrial relations remained cordial during the year. The Company employed on an average 303 persons during the year.

I. Summary of Key Financial Ratios:

Particulars	2019-20	2018-19	% change
Debtors Turnover Ratio (Days)	10	15	-28.60
Inventory Turnover (Days)	66	71	-7.18
Interest Coverage Ratio (Times)	175	91.70	90.33
Current Ratio (Times)	3.57	3.46	3.17
Debt Equity Ratio (Times)	0.00	0.00	0
EBIDTA Margin (%)	15.97	13.41	19.04
Net Profit Margin (%)	13.84	8.80	57.26
Return on Net Worth (%)	13.02	10.34	25.93

Debtors Turnover ratio decreased due to decrease in trade receivable, on account of lower sales of finished goods during lockdown.

Interest Coverage ratio increased due to lower financial charges in financial year 2019-20.

Net Profit Margin and **Return on Net Worth** of the Company are higher due to reduction in Income tax rate from 34.94% to 25.17% thereby leading to increase in profits.

3. Dividend:

The Board of Directors of your Company has not recommended any dividend for the financial year 2019-20.

4. Consolidated Financial Statement:

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

5. Subsidiaries, Joint Ventures and Associate Companies:

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

6. Directors:

Liable to retire by rotation: In accordance with the provisions of the Articles of Association of the Company,

Mr. S. P. Oswal, Director of the Company, retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommended his appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

Continuation of Non-Executive Directors: Pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Special Resolution has been proposed to be passed by the Members in the ensuing Annual General Meeting for continuation of directorship of Mr. Surinder Kumar Bansal, Non-executive Director who is going to attain the age of 75 years on 15th May, 2021 and of Mr. S.P. Oswal, Non-executive Director who is aged about 78 years proposed to be re-appointed in this AGM as a director liable to retire by rotation.

Independent Directors: Mrs. Apinder Sodhi, was appointed as an Independent Director of the Company by the members in their 28th Annual General Meeting held on 27th September, 2018 for a term of consecutive three years starting from 1st November, 2017. Since her term of appointment is expiring on 31st October, 2020, the Board of Directors in its meeting held on 19th June, 2020 recommended her re-appointment for the consideration of the members of the Company at the ensuing Annual General Meeting for a term of three (3) consecutive years w.e.f 1st November, 2020.

Declaration by Independent Directors:

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements

as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

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

Company’s Policy relating to Directors’ appointment, payment of remuneration and discharge of their duties:

The Nomination & Remuneration Committee of the Company has formulated the Nomination & Remuneration Policy on Director’s appointment and remuneration which includes the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013.

The Nomination & Remuneration Policy is annexed hereto and form part of this report as **Annexure I**.

Familiarization Programmes for Board Members:

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

The Familiarization Programme for Board members may be accessed on the Company’s website at the link: https://www.vardhman.com/user_files/investor/VAL_Familisation%20program.pdf

Annual Evaluation of the Board Performance:

The Meeting of Independent Directors of the Company for the Calendar Year 2019 was held on 4th February, 2020 to evaluate the performance of the Non-Independent

Directors, Chairman of the Company and the Board as a whole.

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

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

7. Key Managerial Personnel (KMP):

In compliance with provisions of Section 203 of the Companies Act, 2013, following are the KMPs of the Company as on 31st March, 2020:

Sr. No.	Name	Designation
1.	Bal Krishan Choudhary	Managing Director
2.	Vivek Gupta	Chief Financial Officer
3.	Satin Katyal	Company Secretary

8. Number of Board Meetings:

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

9. Auditors and Auditors’ Report:

Statutory Auditors:

M/s. SCV & CO. LLP. (Formerly S.C. Vasudeva & Co.), Chartered Accountants (Registration no. 000235N/ N500089) were appointed as Statutory Auditors of the Company by the Members for a term of five consecutive years starting from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company.

The report of the Statutory Auditors along with the Notes to Schedules form part of the Annual Report and contains an Unmodified Opinion without any qualification, reservation or adverse remark.

Secretarial Auditor:

M/s Ashok K. Singla & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company by the Board of Directors of the Company in its meeting held on 6th May, 2019 for the Financial Year 2019-20.

The Secretarial Auditors of the Company have submitted their Report in Form No. MR-3 as required under Section 204 of the Companies Act, 2013 for the Financial Year ended 31st March, 2020. This Report is self-explanatory and requires no comments. The Report forms part of Directors' Report as **Annexure II**.

Cost Auditor:

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

The Board of Directors has appointed Mr. R.A. Mehta, Practising Cost Accountant, as the Cost Auditor of the Company to conduct Cost Audit of the Accounts for the financial year 2020-21. However, as per provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditor is subject to ratification by members at the Annual General Meeting. Accordingly, the remuneration to be paid to Mr. R.A. Mehta, Practising Cost Accountant, for financial year 2020-21 is placed for ratification by the members.

10. Audit Committee:**Composition of Audit Committee:**

The Audit Committee consists of Mr. S.P. Singh, Mr. M.C. Gupta, Mrs. Apinder Sodhi, Independent Directors and Mr. D.L. Sharma, Director. Mr. S.P. Singh is the Chairman of the Committee and Company Secretary of the Company is the Secretary of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

11. Vigil Mechanism & Sexual Harassment of Women at Workplace:**Vigil Mechanism:**

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

in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for employees and Directors of the Company, for expressing the genuine concerns of unethical behavior, actual or suspected fraud or violation of the codes of conduct by way of direct access to the Chairman/ Chairman of the Audit Committee.

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

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/342a7263db_1c05444c897e9056f0e1d9707cda151436265916.pdf

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

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

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

12. Corporate Governance:

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

13. Corporate Social Responsibility (CSR):

Vision & core areas of CSR: Your Company is committed to and fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the Companies Act, 2013. The Company's vision on CSR is that the Company being a responsible Corporate Citizen would continue to make a serious endeavor for a quality value addition and constructive

contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

CSR Policy: The Corporate Social Responsibility (CSR) Policy of the Company indicating the activities to be undertaken by the Company, as approved by the Board, may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/61a990114df67d8501b530691cbe89070be539571436265843.pdf

During the year, the Company has spent ₹ 68.12 Lakhs on CSR activities.

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

14. Risk Management:

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

The Risk Management policy may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/8c586426f23ba3ac0445c849743b72c67c19d6fd1436265890.pdf

15. Business Responsibility Report (BRR):

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the inclusion of the BRR as part of the Annual Report for top 1000 listed entities based on market capitalization. In compliance with the Listing Regulations, we have integrated BRR disclosure into our Annual Report.

16. Internal Financial Controls & its Adequacy:

The Company has in place adequate internal financial controls with reference to financial statements. During the

year, such controls were tested and no reportable material weakness in the design or operation was observed.

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

17. Particulars of Contracts or Arrangements made with Related Parties:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The particulars of Contracts or Arrangements made with related parties as required under Section 134(3) (h) of the Companies Act, 2013 in specified form AOC-2 are covered under Note No. 38 to the financial statement, which is set out for related party transactions.

The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: https://www.vardhman.com/user_files/investor/1c9ec9e9c9ce1b5b82aef9485050628bbd40d5551436265865.pdf

18. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013:

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

19. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

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

20. Annual Return:

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, the web address of the Annual Return of the Company is https://www.vardhman.com/user_files/investor/VAL_MGT-9_2019-2020_.pdf

21. Human Resources /Industrial Relations:

Human resource is considered as the most valuable of all resources available to the Company. The Company continues to lay emphasis on building and sustaining an excellent organization climate based on human performance. The Management has been continuously endeavoring to build high performance culture on one hand and amiable work environment on the other hand. During the year, the Company employed around 303 employees on permanent rolls.

Pursuit of proactive policies for industrial relations has resulted in a peaceful and harmonious situation on the shop floors of the plants.

22. Particulars of Employees and Related Disclosures:

The disclosures in respect of managerial remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, are annexed hereto and forms part of this report.

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

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

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

23. Material Changes and Commitment, if any, Affecting the Financial Position of the Company Occurred Between the end of the Financial

Year to which the Financial Statements relate and the date of the Report:

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

24. Directors Responsibility Statement:

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

- a. In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures;
- b. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit of the Company for the year ended on 31st March, 2020;
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis;
- e. The Internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

25. General Disclosures:

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 relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Transfer of unclaimed/unpaid Dividend to Investor Education and Protection Fund.
5. Change in nature of Business of Company.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board.
7. There is no Corporate Insolvency Resolution process initiated under the Insolvency and Bankruptcy Code, 2016.

26. Acknowledgement:

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

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

FOR AND ON BEHALF OF THE BOARD

Place: Ludhiana
Dated: 19th June, 2020

Sd/-
(S.P. Oswal)
 Chairman

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Annexure No. Particulars

I	Nomination & Remuneration Policy approved by the Board.
II	Secretarial Audit Report in form no. MR-3 for FY 2019-20.
III	CSR Activities – Annual Report FY 2019-20.
IV	Conservation of energy, technology absorption, foreign exchange earnings and outgo.
V	Particulars of employees and related disclosures.

ANNEXURE- I

Nomination and Remuneration Policy of Vardhman Acrylics Limited

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 Vardhman Acrylics Limited (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.