

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchanges


No.	Particulars	Details
1.	Name of the Company:	Indian Acrylics Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

5. To be signed by-

CEO/Managing Director

  
(R K GARG)

Chief Financial Officer

  
(H K SINGHAL)

Chairman of Audit Committee

  
(M M CHOPRA)

Auditor of the Company

For S.C. Dewan & Co.,  
Chartered Accountants  
(Regn. No. 000934N)

  
S. C. Dewan  
Partner  
M-15678

Place: Chandigarh  
Date: 30/05/2014



**27TH  
ANNUAL REPORT  
2013-14**



**INDIAN ACRYLICS LIMITED**



**COMPANY CIN: L24301PB1986PLC006715**

**BOARD OF DIRECTORS**

Sh. Vikas Pratap

Sh. R. K. Garg

Sh. Dheeraj Garg

Shri A.S. Chatha, I.A.S. (Retd),

Rear Adm. M.M. Chopra (Retd.)

Sh. A.K. Mahajan

Sh. Ashok Kumar Gupta

Prof. (Dr.) B.B. Tandon

Sh. H.K. Singhal

Chairman

Managing Director

Additional Managing Director

Director

Director

Nominee PSIDC

Nominee PNB

Director

Finance Director

**COMPANY SECRETARY**

Sh. Bhavnesh K. Gupta

**BANKERS**

Punjab National Bank

State Bank of India

State Bank of Patiala

Indian Overseas Bank

**AUDITORS**

S.C. Dewan & Co.

Chartered Accountants,

Swastik Vihar, Panchkula.

**REGD. OFFICE & WORKS**

Village Harkishanpura

Distt. Sangrur (Punjab) - 148 026

(on Patiala-Sangrur Highway)

Email: [shares@indianacrylics.com](mailto:shares@indianacrylics.com)

**Website: [www.indianacrylics.com](http://www.indianacrylics.com)**

**CORPORATE OFFICE**

SCO 49-50, Sector 26

Madhya Marg,

Chandigarh - 160 019

INDIA

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# INDIAN ACRYLICS LIMITED

## INDIAN ACRYLICS LIMITED (CIN:L24301PB1986PLC006715)

Regd. Office: Village Harkishanpura, Sub-Tehsil Bhawanigarh,  
Distt. Sangrur (Punjab) -148026.

Email: shares@indianacrylics.com, **Website: www.indianacrylics.com**  
Phone: +91-172-2793112., Fax: +91-172-2794834

### NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Shareholders of the Company shall be held as scheduled below:

**Day & Date** : **Monday, 29<sup>th</sup> day of September, 2014**  
**Time** : **11.00 A. M.**  
**Venue** : **Company's Regd. Office at  
Village Harkishanpura, Sub-Tehsil Bhawanigarh,  
Distt. Sangrur (Punjab) - 148026**

To transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Ajay Kumar Mahajan (**DIN: 00648889**), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and in this regard to consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, M/s S. C. Dewan & Co., Chartered Accountants (Firm's Registration No. 000934N), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out of pocket expenses, traveling expenses, etc; as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### **SPECIAL BUSINESS**

4. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Madan Mohan Chopra (DIN:00036367)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 to 30.09.2019, not liable to retire by rotation."
5. To consider, and, if thought fit, to pass, with or without modification(s), if any, the following Resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("**ACT**") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Bankey Behari Tandon (DIN:00035266)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration

that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 to 30.09.2019, not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("ACT") and the Rules made there under read with Schedule IV to the Act, as amended from time to time and Clause 49 of the Listing Agreement, **Sh. Ajit Singh Chatha (DIN:02289613)**, a Non-Executive Director of the Company, whose period of office is liable to be determined by retirement of Directors by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 30.09.2014 to 30.09.2019, not liable to retire by rotation."

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

"RESOLVED THAT Pursuant to the provisions of Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, if any and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof) to borrow any sum or sums of money, from time to time, for the purpose of the business of the Company, from any Indian or Foreign Bank(s), Financial Institution(s) and/or any other Indian or foreign lending institutions or Persons, firms, bodies corporate, on such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Banker in the ordinary course of Business), exceed the aggregate of the "Paid up" Capital of the Company and its free reserves not set apart, for any specific purpose, provided that the total amount upto which the money can be borrowed by the Board of Directors, shall not exceed the sum of ₹.500 Crores (Rupees Five hundred Crores only) at any time.

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

"RESOLVED THAT Pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create mortgage/ hypothecation/ pledge and/or charge in addition to the existing mortgages/ hypothecations/ pledges and/ or charges/ created/ to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine in the interest of the company, on all or any of the movable and/ or immovable properties of the company, both present and future and/or any other assets or properties, either tangible or intangible of the company and/or the whole of the undertaking(s) or any part of the undertaking(s) of the Company, in favour of lender(s), Agent(s) and Trustee(s) for securing the borrowings of the company availed/to be availed by the Company by way of loans, working capital facilities, debentures or any other securities or debt instrument or otherwise, in foreign currency or in Indian Currency, from any Indian or Foreign Bank (s), Financial Institution(s) and/or any other Indian or foreign lending institutions or Persons, firms, bodies corporate or any other lender, from time to time, upto the limits approved or as may be approved by the shareholders under Section 180 (1)(c) of the Act, along with interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs , expenses and any other money payable by the Company including any increase as result of devaluation/ revaluation/ fluctuation in the rate of exchange.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds writings/papers/agreements as may be required and do all such acts, deeds matters and things, as it may, in its absolute discretion deem necessary, proper or requisite."

## INDIAN ACRYLICS LIMITED

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“ACT”) and the Companies (Audit and Auditors) Rules 2014 (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 to ratify the remuneration, decided by the Board of Directors, based on the recommendation of Audit committee, of ₹.50,000/- (₹. Fifty thousand only) plus Service Tax and out of pocket expenses to M/s Aggarwal Vimal & Associates, (Firm Registration Number: 000350), Cost Accountants, appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

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

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

“RESOLVED THAT in accordance with the provisions contained in section 196, 197, 200 and other applicable provisions, if any, of the Companies Act, 2013 and the schedules thereto and such other approvals, permissions, if any, as may be necessary and pursuant to the recommendation of Nomination and Remuneration Committee and the Board, the consent of the shareholders of the company be and is hereby accorded for the re-appointment of Shri Rajinder Kumar Garg (**DIN No. 00034827**), Managing Director, of the Company for a period of three years w.e.f. 01/03/2015 on the following terms and conditions including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period :-

- i) SALARY: ₹.4,25,000/- (₹. Four lacs twenty five thousand only) per month
- ii) PERQUISITES: In addition to salary, the perquisites be allowed upto the maximum of ₹.33,00,000/- (₹. Thirty three lacs only) per annum.
- iii) COMMISSION: 5% of the net profits of the Company for each financial year or part thereof computed in the manner laid down under Section 198 of the Companies Act, 2013 so as not to exceed overall ceiling on remuneration laid down in Section 197 and other applicable provisions of the Companies Act, 2013.
- iv) In addition to the above, the Managing Director shall also be eligible for the following perquisites which shall not be included in computation of the ceiling as specified.
  - a) Contribution to provident fund, superannuation fund or annuity fund as per the Rule of the Company, to the extent these- either singly or taken together- are not taxable under the Income Tax Act, 1961.
  - b) Gratuity shall be payable at a rate not exceeding half-a-month's salary for each completed year.
  - c) Encashment of 30 days leave for each year of working at the end of tenure.

“RESOLVED FURTHER THAT subject to such approvals as may be necessary, the remuneration as set out above be paid to Shri Rajinder Kumar Garg, Managing Director also for the remaining period of his current tenure of appointment from 01/04/2014 to 28/02/2015.”

“RESOLVED FURTHER THAT in the event of losses or inadequate profits in any financial year during the term of office of Shri Rajinder Kumar Garg, as Managing Director, the aforesaid salary and all other benefits and other remuneration/ perquisites, be paid to the appointee as minimum remuneration, with the liberty to the Board of Directors to alter and vary the terms and conditions of his appointment, subject to ceiling laid down in Schedule V to the Companies Act, 2013, as amended, modified or re-enacted from time to time.”

By Order of the Board of Directors

Place: Harkishanpura  
Date: 14.08.2014

**BHAVNESH K GUPTA**  
**G.M. CUM COMPANY SECRETARY**

## NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 and rules made thereunder, relating to the Special business to be transacted at the Meeting is annexed hereto. The relevant details of Directors seeking appointment/re-appointment at this Annual General Meeting of the company are also annexed.
2. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy so appointed need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.**

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company
3. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **22.09.2014 to 29.09.2014** (both days inclusive).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the company or Registrar and Share Transfer Agent.
8. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 are being sent by the permitted mode.
9. **Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with Registrar and Share Transfer Agents of the Company/ Depository Participant (s), for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.**
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's **website [www.indianacrylics.com](http://www.indianacrylics.com)** for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
11. The Company is maintaining the "INVESTORS SERVICE CELL" at its Head Office at SCO 49-50, Sector 26, Madhya Marg, Chandigarh 160019.
12. Members having any queries relating to Annual Report are requested to send their queries at least seven days before the date of the Meeting.
13. **Voting through electronic means**
  - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository (Services) India Limited (CDSL).

### Steps for e-voting

- (i) **The voting period begins on September 24, 2014 at 9.00 a.m. and will end on September 26, 2014 at 6.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **22<sup>nd</sup> August, 2014 (cut off date)**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The members are requested to note that once vote on a resolution is cast electronically, he shall not be allowed to change it subsequently.
- (ii) Log on to the e-voting website **[www.evotingindia.com](http://www.evotingindia.com)**
- (iii) Click on shareholders
- (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](http://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:

# INDIAN ACRYLICS LIMITED

## For Members holding shares in Demat Form and Physical Form

- PAN\* Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- 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 last 8 digits of the demat account/folio number in the PAN field.
  - In case the folio number is less than 8 digit enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For example, if your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field
- DOB# 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/yy format.
- Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.  
# 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 number of shares held by you as on the cut off date** in the Dividend Bank details field.
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 name of the Company i.e. Indian Acrylics Limited/ "Electronic Voting Sequence Number".
- (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 changed 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 Non-Individual Shareholders and Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user using admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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. The members are requested to keep their password confidential and can also use the same for all subsequent voting on CDSL platform. 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xiv) The Board of Directors has appointed Mr. S.K.Sikka, Practicing Company Secretary to scrutinize the e-voting process in a fair and transparent manner.
- (xv) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xvi) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two (2) days of



- passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange.
14. Relevant documents referred to in the notice and the explanatory Statement are open for inspection by members at the registered office of the company on all working days during Normal business hours (09:30 am to 5.30 pm) upto and including the date of meeting.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ITEM NO. 4 to 6**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Shri Madan Mohan Chopra, Shri Bankey Behari Tandon and Shri Ajit Singh Chatha as Independent Directors at various times. The period of office of these Directors was liable to determination by retirement of Director by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

As per the provisions of Section 149(4) of the Companies Act, 2013, (the ACT) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term of up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

To meet the recent modifications brought in by the Act and Listing Agreement, it is proposed to appoint Shri Madan Mohan Chopra, Shri Bankey Behari Tandon and Shri Ajit Singh Chatha as Independent Directors of the Company with effect from 30.09.2014 upto 30.09.2019.

The notices in writing proposing their appointment/ re-appointment alongwith the deposit of requisite amount under Section 160 of the Act, have been received from the members of the Company. Their period of office shall not be liable to determination by retirement of directors by rotation and they shall not be counted in the total strength of the Board for determination by retirement of directors by rotation.

The Board of Directors have recommended the appointment of these Directors as Independent Directors with effect from 30.09.2014 upto 30.09.2019.

All these Directors, have given a declaration to the Board that they meet the criteria of independence as provided under section 149 (6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and Rules framed thereunder for appointment as independent Director and they are independent of the Management. These Directors are not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the registered office of the Company during normal business hours on any working days.

A brief profile and other details of the Independent Directors to be appointed, whose appointment is proposed at Item Nos. 4 to 6 of the accompanying Notice, have been given in the annexure attached. This statement may be regarded as disclosure under clause 49 of the listing Agreement also.

Shri Madan Mohan Chopra, Shri Bankey Behari Tandon and Shri Ajit Singh Chatha, are concerned or interested in the Resolutions mentioned at Item No. 4 to 6 of the accompanying Notice respectively relating to their own appointment. No other director, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolutions mentioned at Item No. 4 to 6 of the accompanying Notice.

The Board recommends the resolutions mentioned at Item No. 4 to 6 of the accompanying Notice.

#### **Item No. 7 & 8**

As per the provisions of Section 180 (1)(c) and 180 (1) (a) of the companies Act, 2013 which were notified on 12<sup>th</sup> September, 2013 and based on the clarification thereof issued by GOI, MCA vide General Circular No. 04/2014 dated 25<sup>th</sup> March, 2014, the Resolution passed u/s 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the new Act, for a period of 1 year from the date of notification of Section 180.

The Board of Directors of the your company has approved these items in the Board Meeting dated 14.08.2014 and recommends the resolutions mentioned at Item No. 7 to 8 of the accompanying Notice, for the approval of Shareholders of the company as **Special Resolutions**.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 7 & 8 of the accompanying Notice.

#### **Item No. 9**

Pursuant to section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company are required to approve and ratify the payment of remuneration of ₹.50,000/- (₹. fifty thousand only) plus Service Tax and out of pocket expenses to the Cost Auditors as approved by the Board of Directors in their meeting held on 30.05.2014 for the Financial Year 2014-15.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Resolution mentioned at Item No. 9 of the accompanying Notice for approval by the shareholders of the company as an **Ordinary Resolution**.

## INDIAN ACRYLICS LIMITED

### Item No. 10

The members of the company at the Extra-Ordinary General Meeting held on 17th December 2011 approved the re-appointment of Shri Rajinder Kumar Garg, Managing Director of the Company w.e.f. 01/03/2012 for a period of three years and other terms and conditions including remuneration to be paid. The present tenure of Shri Rajinder Kumar Garg, Managing Director would expire on 28/02/2015. Shri Rajinder Kumar Garg has been the Managing Director of the Company since 01/03/1986. He had been responsible for conceiving the project and implementing it successfully despite numerous odds. The present tenure of Shri Rajinder Kumar Garg, Managing Director would expire on 28/02/2015. Shri Rajinder Kumar Garg has been the Managing Director of the Company since 01/03/1986. He had been responsible for conceiving the project and implementing it successfully despite numerous odds. In view of his significant contribution and pursuant to the recommendation of Nomination and Remuneration Committee and the Board in their respective meetings held on 30/05/2014, it is proposed to consider the re-appointment of Shri Rajinder Kumar Garg, for a further period of three years w.e.f. 01/03/2015 on the terms and conditions set out in the resolutions at Item no. 10.

It is also proposed to pay the increased remuneration for the remaining period of his current tenure of appointment from 01/04/2014 to 28/02/2015 pursuant to the recommendation of Nomination and Remuneration Committee and the Board in their respective meetings held on 14/02/2014, on the terms and conditions set out in the resolutions at Item no. 10.

The reappointment and increase in remuneration for the remaining period of the current tenure is subject to approval of members. Accordingly, your approval is solicited.

The notice and explanatory statement may be treated as an abstract of the terms of contract for the reappointment and payment of increased remuneration to Shri Rajinder Kumar Garg, Managing Director within the provisions of the Companies Act. The Board recommends **Special Resolution** for the approval of the Members set out at Item no. 10.

None of the Directors of the Company and /or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise, in the resolution except Shri Dheeraj Garg, Additional Managing Director being related to Shri Rajinder Kumar Garg.

By Order of the Board of Directors

Place: Harkishanpura

Date: 14.08.2014

**BHAVNESH K GUPTA**  
**G.M. CUM COMPANY SECRETARY**

### STATEMENT GIVING INFORMATION REQUIRED UNDER PART-II SECTION-II (B) SUB-CLAUSE (iv) TO THE SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION TO SHRI R K GARG, MANAGING DIRECTOR

#### I. GENERAL INFORMATION

#### REMARKS

- |   |  |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
|---|--|--|--------------|-------------------|-------|-----------|-------|------------------|--------|-----------------------------|-------|-------------------|-----|
| (1) Nature of Industry  | The Company is engaged mainly in manufacture and sale/trading of Acrylic Fibre/ yarn   |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| (2) Date or expected date of commencement of commercial production  | Commercial Production started in 1993  |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| (3) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable   |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| (4) Financial performance based on given indicators   | The financial performance is given in the enclosed Balance Sheet and Profit & Loss Account of the Company. The performance of the Company as on 31/03/2014 as stated in general circular no. 12/7/2000-CL-VII, dated 27/12/2000 is as under:<br><br><table><tbody><tr><td></td><td>(₹. In lacs)</td></tr><tr><td>Effective Capital</td><td>7,437</td></tr><tr><td>Net worth</td><td>7,437</td></tr><tr><td>Turnover (gross)</td><td>63,112</td></tr><tr><td>Net Profit/(Loss) after tax</td><td>1,132</td></tr><tr><td>Dividend declared</td><td>Nil</td></tr></tbody></table> |  | (₹. In lacs) | Effective Capital | 7,437 | Net worth | 7,437 | Turnover (gross) | 63,112 | Net Profit/(Loss) after tax | 1,132 | Dividend declared | Nil |
|   | (₹. In lacs)   |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| Effective Capital   | 7,437  |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| Net worth   | 7,437  |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| Turnover (gross)  | 63,112   |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| Net Profit/(Loss) after tax   | 1,132  |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| Dividend declared   | Nil  |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| (5) Export performance and net foreign exchange collaborations  | FOB value of export and earning in foreign exchange during the financial year ended 31/3/2014 was ₹.18222 lacs   |  |              |                   |       |           |       |                  |        |                             |       |                   |     |
| (6) Foreign Investments or collaborators, if any  | There is no investment/ foreign technical collaboration in operation at present.   |  |              |                   |       |           |       |                  |        |                             |       |                   |     |

## II. INFORMATION ABOUT THE APPOINTEE

(1) Background details

### SHRI R K GARG

MANAGING DIRECTOR (DIN-00034827)

He is F.I.E. and has vast experience of 50 years. Shri Garg is the promoter director and is with the Company since inception.

(2) Past remuneration

Salary	₹.2,00,000/- p.m.
Commission	5% of net profits
Perquisites	Restricted to ₹.24,00,000/- p.a.
Bonus	N.A.

(3) Recognition or awards

Mr. Garg himself is an Awardee of 'UDYOG PATRA'. During his tenure, the Company received 'National Energy Conservation Award, consecutively for three years as also the Export Award by SRTEPC. The Company was also granted Recognition as 'Export-House' and for in-house R&D Unit at plant by Govt. of India. Certificates of Approval for Quality Management Systems by BVQI and of Arch of Europe for Commitment to Quality, Leadership, Technology and Innovation by BID were also received.

(4) Job profile and his suitability

He is overall incharge of the Company as Managing Director and looks after new initiatives/ expansion projects and export growth, besides supervision of day to day affairs.

(5) Remuneration proposed

Proposed remuneration of ₹.84.00 lacs is starting from 01/04/2014. Details given in the resolution at item no 10 and explanatory statement of the accompanying notice.

(6) Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

Remuneration package is commensurate with his competence and responsibility in the Company and also with remuneration paid by comparable companies for similar positions.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

He is the Promoter Director of the Company. Shri Dheeraj Garg, Additional Managing Director of the Company is related to Shri R K Garg.

## III. Other Information:

(1) Reasons of loss or inadequate profits

The completion of the project was substantially delayed due to the reasons beyond the control of the management. The import duties on our finished product have been reduced substantially, without proportionate reduction in the import duties of inputs, depleting margins on sales. Many foreign suppliers of Acrylics fibre resorted to dumping of material into the country, putting a pressure on the selling prices of local product.

(2) Steps taken or proposed to be taken for improvement

The Company is pursuing strategies to augment profit by revenue growth through product innovations, and cost cutting/ value engineering in existing business.

(3) Expected increase in productivity and profits in measurable terms

The Company is expected to achieve adequate profits within the next 5 years

## IV. Disclosures:

(1) The shareholders of the Company shall be informed of the remuneration package of the managerial person

The details of remuneration of Shri R K Garg are enclosed in the explanatory statement of the accompanying notice.

(2) Disclosures required to be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report

Necessary particulars of remuneration under required heads of all Working Directors are given in Corporate Governance Report forming part of the Directors' Report for the financial year ended 31/03/2014

## INDIAN ACRYLICS LIMITED

### DIRECTORS' REPORT

To The Members,

The Directors of your Company have pleasure in presenting the 27<sup>th</sup> Annual Report of the Company together with Audited Accounts for the financial year ending 31<sup>st</sup> March, 2014.

#### FINANCIAL HIGHLIGHTS

PARTICULARS	2013-14	2012-13
	(₹. in lacs)	
Domestic Sales (Net of Excise)	44094	33161
Export Sales	18639	5593
Total Sales	62733	38754
Other Income	380	518
Total Income	63113	39271
Gross Profit before interest & depreciation	4515	2170
Interest & other financial charges	2387	1903
Profit before depreciation	2128	267
Depreciation	975	648
Net Profit/(Loss) prior to Tax & Extra Ordinary Items	1153	(381)
Prior period adjustment	(21)	(17)
Extra Ordinary Item	-	815
Net Profit available for appropriation	1132	417

The operations of the Company have improved substantially during the year. Main highlights are:-

Production and Sales increased from 20683 MT & 21885 MT to 36,121 MT & 36,076 MT respectively (increase by 75% & 65%)

Overall Sales Turnover increased from ₹.38754 Lacs to ₹.62733 Lacs, (increase by 62%)

Exports have increased from ₹.5593 Lacs to ₹.18639 Lacs, (increase by 233%)

Profit before depreciation and financial charges/ interest increased from ₹.2170 Lacs to ₹.4515 Lacs (by 108%)

#### RESEARCH AND DEVELOPMENT

The Company has an In-House R & D centre registered with the ministry of Science & Technology, Govt. of India.

During the year Company has been able to add more varieties in its product list to satisfy product needs of

new markets and also for existing customers. The Company is also working for energy conservation and reduction of the fuel cost with the help of in-house R & D.

The Company is also installing 10000 worsted spindles for spinning of acrylic yarn at an estimated cost of ₹.35 crore to meet with the specific requirements of some customers. Requisite infrastructure for the project, including captive power is already available resulting into economies in capital as well production costs.

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### a) Industry Structure and Developments

World Production of Acrylic Fibre was 19.14 Lac MT in the year 2013. The overall demand growth during the year under consideration is estimated at 0.50 Lac MT. Indian production of Acrylic Fibre, which was 0.70 Lacs MT during the previous year, also increased to 0.86 Lacs MT during the current year. Company has been able to seed its product in new export markets and this is helping in boosting of export sales, in diversifying product basket and broad base the customer base.

##### b) Opportunities and Threat

Your Company is going further in the value chain to increase the market share of value added products including, dyed yarns. These efforts are expected to yield positive results in future.

The Company is actively exploring the reduction in energy cost by going for conservation, multi-fuel boilers and other available technologies. It is also working for registration of Renewable Energy Certificates (RECs) for availing benefit of clean development technology.

Threats before the industry at present are dumping, sudden increase in competition from other fibres and sudden increase in crude oil prices or worsening of political situation in Middle East/ Iran etc. The threat of dumping has increased due to worsening overseas demand and producers from those Countries looking for other markets. Besides, weather is also an important factor as length of winter and extent of cold weather also influence the consumption of Acrylic Fibre.

Your Company is dependent on imported raw materials to a large extent and sudden increase in crude oil, naphtha or gas prices also adversely affects the Company.

##### c) Segment-wise/Product wise performance

The Company is in one Business "Manufacture and sale/ trading of Acrylic Fibre/ Yarn". and operates from one Geographical Segment only.

## **FUTURE OUTLOOK**

With addition of new capacities in Acrylonitrile Industry, prices of Acrylonitrile have remained soft during the year. Because of this, recently a large producer of Acrylonitrile has announced cut back of capacities. Such instances are likely to limit availability of Acrylonitrile in the spot market and may push prices a little. However, overall supply condition looks easy.

The shifting of Acrylonitrile manufacturing from USA/European Union region to Asia will be continuing during next two-three years. These changes will be good for steady growth of Acrylic fibre Industry in this region.

Softening of The commodity prices, alongwith above changes in the Industry structure will be good for improving the margins in Acrylic Fibre business.

## **FINANCIAL STATUS**

There is no change in the issued and subscribed capital of ₹.13532.21 lacs.

## **FIXED DEPOSITS**

The Company has not accepted any fixed deposits during the year under review.

## **CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE**

During the year, your Directors have constituted the Corporate Social Responsibility and Governance Committee (CSR&G Committee) comprising Shri Dheeraj Garg as its Chairman, Shri H. K. Singhal and Shri AS Chatha as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

## **SUBSIDIARY COMPANY**

M/s Indlon Chemicals Ltd. (Indlon) had approached the Company in April, 2013, to stop managing its affairs and withdraw the nomination of Directors. Indlon had since been managing its affairs independently without any control from our Company, thereby ceasing the Parent Subsidiary relationship between Indian Acrylics Limited and Indlon Chemicals Limited w.e.f. 01.04.2013.

Hence, the Company ceased to be subsidiary Company under Section 212 of the Companies Act, 1956.

## **CORPORATE GOVERNANCE REPORT**

The Company is continuously taking steps to attain higher levels of transparency, accountability and equity in order to enhance customer satisfaction and

stakeholders' value. The Company not only complies with the regulatory requirements but is also responsive to the stakeholders' as well as customers' needs. The Company already has an Audit Committee, a Shareholders' Grievances Committee and a Remuneration Committee duly constituted by the Board to look after various activities. The Corporate Governance practices followed by the Company are enclosed as Annexure to this report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

- i) The Directors confirm that, in preparation of the Balance Sheet and the Profit and Loss Account of the Company, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii) The Directors have selected such accounting policies and applied them consistently and 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 of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding 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.

## **INTERNAL CONTROL SYSTEMS**

Your Company's internal control systems comprise of management reporting system as well as inspection of the operations of the Company by Internal Audit checks carried out internally as well as through outside agencies.

## **DIRECTORS**

Since the last Annual General Meeting, following change have taken place in the Board of Directors:

PNB has nominated, Shri Ashok Kumar Gupta, DGM, Circle Head as a Director in place of Shri Rajeshwar K Goyal effective from 14/02/2014.

Your Directors place on record their appreciation of the valuable guidance rendered by Shri Rajeshwar K Goyal during his association with the Company.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Shri M M Chopra, Shri B B Tandon and Shri A S Chatha as Independent Directors of the Company.

As per Section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public Company is required to have at least one

## INDIAN ACRYLICS LIMITED

third of the total number of Directors as Independent Directors. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office for a term of five years at the forthcoming Annual General Meeting (AGM) of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

As per the provisions of new Companies Act, 2013, Shri Ajay Kumar Mahajan, Director, retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

### **AUDITORS**

M/s S.C. Dewan & Co., Chartered Accountants were appointed as Statutory Auditors of the Company to hold office till the conclusion of the ensuing Annual General Meeting. The Auditors retire at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment. They have confirmed their eligibility and willingness to accept office if re-appointed. The company has received a certificate from them pursuant to Companies (Audit & Auditors) Rules 2014 read with Section 139 & 141 of the Companies Act, 2013, confirming their eligibility for reappointment, and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### **COST AUDITORS**

Pursuant to the Circular dated 24<sup>th</sup> January, 2012, of the "Ministry of Corporate Affairs (MCA), and based on the recommendation of the Audit Committee the Board of Directors of your Company have appointed "Aggarwal Vimal & Associates", Cost Accountants (Firm Registration No. 000350), as the Cost Auditor of the Company for the audit of cost accounting records maintained by the Company for the financial year 2013-14. The appointment has been approved by the Central Government. The Report of the Cost Auditors for the Financial Year 2013-14 is under finalization and will be filed with the MCA within the prescribed time if applicable.

Further based on the Audit Committee recommendation, the Board of Directors at its meeting held on 30.05.2014 have approved the re-appointment of "Aggarwal Vimal & Associates", as the Cost Auditor of the Company for the financial year 2014-15. The appointment is subject to approval of the Central Government.

### **LISTING OF SHARES**

Equity shares of the Company are listed on Mumbai and Calcutta Stock Exchanges. Listing fee to the BSE has already been paid in pursuance to clause 38 of the Listing Agreement. The Company has since filed an application for delisting of its shares from Calcutta Stock Exchange. However, the shares will continue to be traded on Mumbai Stock Exchange.

### **DEMATERIALISATION**

Effective 25th September 2000, the equity shares of your Company are being compulsorily traded in dematerialized form. As on 31st March 2014, a total of 1254 lacs equity shares, representing 92.64% of equity share capital have been dematerialized and about 29615 shareholders are holding shares in dematerialized form.

### **INSURANCE**

All the assets of the Company have been adequately insured.

### **PERSONNEL**

The statement of employees, as required under Section 217(2A) of the Companies Act, 1956 is not applicable as there was no employee who was drawing a salary of ₹.60,00,000/- and above per annum if employed for full year, or a salary of ₹.5,00,000/- and above per month if employed for a part of the year.

The Board expresses deep appreciation of all sections of employees for their support and for making efforts to increase efficiency and growth.

### **INDUSTRIAL RELATIONS**

Industrial relations continued to be cordial during the year under review.

### **ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude the assistance, co-operation and support received by the Company from the Govt. of Punjab, PSIDC, Financial Institutions, Banks, other Statutory/ Govt. Bodies, Customers and Shareholders of the Company.

A statement giving details of conservation of energy/ technology absorption and foreign exchange earnings and outgo in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, forms part of this report and is annexed herewith.

On Behalf of the Board of Directors

Chandigarh  
30.05.2014

**H. K. SINGHAL**  
FINANCE DIRECTOR

**R. K. GARG**  
MANAGING DIRECTOR

**INFORMATION AS PER SECTION 217(1)(E) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014**

1. Your Company has always been conscious of the need to conserve energy and has always attempted various measures for the same where ever possible to achieve reduction in the cost of production. The Company has taken various measures on suggestions of experts in the areas where energy reduction and fuel and oil conservation is possible. The details regarding present energy consumption including captive generation are furnished below as per Form 'A' of the Annexure to the Rules.

	Current Year	Previous Year
<b>A) POWER &amp; FUEL CONSUMPTION</b>		
1. a) Purchased Units (in lacs)	<b>111.09</b>	194.82
Total amount (₹.in lacs)	<b>894.11</b>	1275.94
Rate/Unit (Rupees)	<b>8.05</b>	6.55
b) Own Generation		
i) Through Turbine (Unit in lacs)	<b>457.14</b>	204.77
Total amount (₹.in lacs)	<b>1998.38</b>	972.88
Rate/Unit (Rupees)	<b>4.37</b>	4.75
ii) Through Diesel Generator (Unit in lacs)	<b>2.37</b>	2.42
Total amount (₹.in lacs)	<b>38.73</b>	37.47
Rate/Unit (Rupees)	<b>16.33</b>	15.49
<b>2) Fuel Oils used for Steam</b>		
Quantity (Lacs Ltrs)	-	0.01
Total amount (₹.in lacs)	-	0.47
Rate/Unit (Rupees)	-	34.75
<b>3) Rice Husk for Steam Generation</b>		
Quantity (MTs))	<b>64380</b>	40825
Total amount (₹.in lacs)	<b>2776.93</b>	1750.86
Rate/Unit (Rupees)	<b>4.31</b>	4.29
<b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production of Acrylic Fibre & Waste (MT)	<b>36121</b>	20683
1.) Electricity (Units/MT)	<b>1537</b>	1866
Cost per unit of production of Fibre (₹./MTs)	<b>7927</b>	10683
Furnace Oil (KL/MT)		
Rice Husk for process steam (Unit/MT)	<b>1782</b>	1974
Cost per unit of production of Fibre (₹./MTs)	<b>7688</b>	8467

**II) Technology Absorption Efforts made in technology absorption as per form "B" of Annexure to the Rules.**

- 1 Research & Development (R&D)**
- a) Specific area in which R&D carried out by Company. R & D has been carried out in the areas of improvement on product, process, cost reduction and increase in productivity.
- b) Benefits derived as a result of the above R&D. Productivity improvement, reduction of waste and development of new product varieties and increase in Carbon Credits due to R&D efforts, thereby reducing the cost of manufacturing.
- c) Further course of action. We are working on development of new speciality products to cater to some more end use segments. We are also working on increasing the overall productivity of the plant by In-house R&D.
- d) Expenditure on R&D (₹. In lacs):  
(Capital / Recurring) Capital :- ₹. NIL (Previous year ₹.NIL lacs)  
Revenue :- ₹.25.69 lacs (Previous year ₹.24.98 lacs.)
- 2. Technology absorption, adoption and innovation**
- a) Efforts in brief made towards technology absorption, adoption & innovation. Technology Absorption Programme has been completed satisfactorily. The product range has been further diversified to produce new varieties of Acrylic Fibre.
- b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product energy and to develop new varieties of Acrylic Fibre.

## INDIAN ACRYLICS LIMITED

c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished :

Not applicable

### FOREIGN EXCHANGE EARNING AND OUTGO

a) Activity relating to exports, initiative taken to increase exports, development of new export market for products and services and export plans.

During this year export sale has Increased from ₹.55.93 Crore to ₹.185.52 Crore. Which has happened mainly due to increase demand of the product in the export market.

b) Total foreign exchange used and earned (₹. in lacs)

**Used : ₹.24755.70 Lacs**  
(Previous year ₹.10166.47 Lacs)

**Earned : ₹.18222.00 Lacs**  
(Previous year ₹.5491.45 Lacs)

For and on behalf of Board of Directors

Place : Chandigarh  
Date : 30.05.2014

**H.K.SINGHAL**  
FINANCE DIRECTOR

**R.K.GARG**  
MANAGING DIRECTOR

### **STATEMENT UNDER SECTION 217 (2A) OF COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 ANNEXED TO THE DIRECTORS' REPORT FOR THE YEAR ENDING 31ST MARCH, 2014.**

S.No.	Name of Employee	Designation	Experience (Yrs)	Date of Commencement of Employment	Qualification	Remuneration (₹ in Lacs)	Age (Yrs)	Last Employment before joining
<b>Full Year</b>								
1.	Sh. R.K. Garg	Managing Director	50	01.10.90	F.I.E	72.74	71	M/s Steel Strips Ltd. Chandigarh as Managing Director

1. Remuneration includes Salaries, Allowances, Medical Reimbursement, Contribution towards Provident Fund, Earned Leave and actual cost of perquisites borne by the company.
2. The conditions of employment of Sh. R.K. Garg are contractual.

For and on behalf of Board of Directors

Place : Chandigarh  
Date : 30.05.2014

**H.K.SINGHAL**  
FINANCE DIRECTOR

**R.K.GARG**  
MANAGING DIRECTOR



## REPORT ON CORPORATE GOVERNANCE

The Company continuously strives to attain high levels of corporate performance, accountability, transparency, responsibility and fairness in all aspects of its operations. Transparency in all dealings and providing better services without compromising in any way on integrity and regulatory compliances have been the basic objectives of corporate governance in the Company.

### **BOARD OF DIRECTORS**

The composition of the Board of Directors is governed by the provisions of the Companies Act, 1956 and the Articles of Association of the Company. Shri Vikas Pratap, IAS, is the Chairman and Shri R K Garg is the Managing Director of the Company. Other members of the Board are eminent persons with considerable professional expertise and experience in banking, finance and other fields.

The Board has six Independent Directors, viz Prof. (Dr.) B B Tandon, who retired as Dean and Chairman, University Business School, Panjab University, Chandigarh; Rear Admiral M M Chopra, AVSM, retired from Navy and also served as Director on the Board of National Stock Exchange Ltd.; Shri A S Chatha, Joined the IAS Cadre of Punjab in 1963 and served it with distinction till 1995; Shri Vikas Pratap is the Managing Director of PSIDC, and Shri A K Mahajan is the Executive Director of PSIDC; Shri Ashok Kumar Gupta, DGM, is Circle Head, Punjab National Bank. He has been nominated on the Board by the Bank. Two Directors viz Shri R K Garg and Shri Dheeraj Garg represent the private promoters on the Board of the Company. Shri H K Singhal is the whole-time Director. All directors other than Shri R K Garg, Managing Director, Shri Dheeraj Garg, Additional Managing Director and Shri H K Singhal, Finance Director, are Non-Executive Directors on the Board.

### **BOARD MEETINGS**

During the year under review, 4 Board Meetings were held, one each on 29<sup>th</sup> May 2013, 12<sup>th</sup> August 2013, 06<sup>th</sup> November 2013 and 14<sup>th</sup> February 2014.

Details of attendance at the Board Meetings, and at the last Annual General Meeting (AGM) for each director of the Company are as follows:

Name of Director	Category of Directors	No. of Board Meetings held during the year 2013-14		Annual General Meeting Attendance (held on 28.09.13)	No. of Directorship in other Public Companies		No. of Committee Positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Shri Vikas Pratap IAS (PSIDC Nominee)	Non Executive Director / Chairman	4	-	-	-	2	-	-
Shri R K Garg	Mg. Director	4	4	-	4	1	-	-
Shri A K Mahajan (PSIDC Nominee)	Non Executive Director	4	-	-	4	4	-	-
Shri Dheeraj Garg	Additional Mg. Director	4	-	-	-	1	1	-
Prof (Dr) B B Tandon	Non Executive Director	4	4	-	-	2	-	1
Shri A S Chatha	Non Executive Director	4	3	-	-	3	-	1
Shri M M Chopra	Non Executive Director	4	3	-	-	3	-	1
Shri H K Singhal	Finance Director	4	4	Yes	-	6	-	7
Shri Rajeshwar K Goyal	Nor Executive Director	4	1	-	-	-	-	-
*Shri Ashok Kumar Gupta	Non Executive Director	4	-	-	-	-	-	-

\* Shri Ashok Kumar Gupta, PNB Nominee has replaced Shri Rajeshwar K Goyal w.e.f. 14.02.2014

### **COMMITTEES OF DIRECTORS**

The Board has constituted committees of Directors to deal with matters, which need quick decisions and timely monitoring of the activities falling within their terms of reference. The Board Committees are as follows:

## INDIAN ACRYLICS LIMITED

### **AUDIT & COMPLIANCE COMMITTEE**

The Audit & Compliance Committee comprises of two non-executive Directors viz. Rear Admiral M. M. Chopra, AVSM (Retd.), Prof. (Dr.) B. B. Tandon and one Executive Director Shri H K Singhal. During the year, the committee held four Meetings.

The terms of reference of the Audit & Compliance Committee are in accordance with Section 292A of the Companies Act, 1956 and paragraphs C&D of clause 49(II) of the Listing Agreement entered into with the Stock Exchanges and inter-alia includes the following:

- a) Overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information.
- b) Recommending appointment and removal of external auditors and fixing of their fees.
- c) Reviewing with management the annual financial statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
- d) Reviewing the adequacy of the Audit and Compliance function, including their policies, procedures, techniques and other regulatory requirements.
- e) Reviewing the adequacy of internal control systems and significant audit findings.

### **SUB-COMMITTEE OF BOARD OF DIRECTORS**

The Sub-Committee of Board of Directors has been constituted in line with the provisions of Clause 41 of the Listing Agreements to review unaudited financial results and comprises of Shri R K Garg, as Chairman, Rear Admiral M. M. Chopra, AVSM (Retd.), Prof. (Dr.) B. B. Tandon, and Shri H. K. Singhal as members of the Committee. During the year, the committee held no meetings.

### **REMUNERATION/ COMPENSATION COMMITTEE**

The Remuneration Committee comprises of two non executive Directors viz Rear Adm. M M Chopra, AVSM (Retd.) and Prof. (Dr.) B B Tandon, and one Executive Director Shri H K Singhal. The committee has been constituted to review and recommend compensation payable to the whole-time directors including Managing Director and senior management of the Company. The committee reviews the overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, reviewing compensation levels of the Company vis-à-vis other Companies and industry in general. During the year, the committee held one meeting.

### **REMUNERATION OF DIRECTORS**

Shri R.K. Garg, Shri H K Singhal and Shri Dheeraj Garg are whole-time Directors. Their particulars and details of remuneration, as approved by the Board of Directors and Shareholders, are as under:

	<b>Shri R.K. Garg</b>	<b>Shri H.K. Singhal</b>	<b>Shri Dheeraj Garg</b>
- Designation	Managing Director	Finance Director	Additional Managing Director
- Last appointed on	01/03/2012	01/02/2012	26/09/2013
- Term	Three years	Three years	Five years
- Salary	₹.2,00,000/- per month	₹.80,000/- per month	Without Remuneration
- Perquisites viz. housing accommodation, gas & electricity, traveling/ halting allowance/ medical benefits	Up to a maximum of ₹.24,00,000/-	Reimbursement of House Rent Up to 35% of the salary (over and above 15% payable by the Financial Advisor)	-
- Commission	5% of the net profit including the above salary & perquisites	Nil	-
- Provident Fund	12% of the basic salary	12% of the basic salary	-
- Gratuity	As per the Payment of Gratuity Act.	As per the Payment of Gratuity Act.	-

\* During the year, the remuneration of Shri R K Garg was revised from ₹.4.00 lacs p.m. to ₹.7.00 lacs p.m. w.e.f. 01.04.2014 for the remaining period of his tenure.

The remuneration is in conformity with Schedule XIII of the Companies Act, 1956. Other non-executive directors are paid sitting fee of ₹.10000/- for each Meeting of the Board, and ₹.5000/- for each Meeting of the Audit Committee and Sub-Committee thereof attended by them.

#### **SECRETARIAL COMMITTEE**

The Secretarial Committee approves and monitors transfers, transmission, splitting and consolidation of shares of the company. The Secretarial Committee is comprised of Shri Dheeraj Garg, Additional Managing Director, Shri H.K. Singhal, Finance Director and Shri Bhavnesh Gupta, Company Secretary. The Secretarial Committee of the company meets as often as required. The Committee met 16 times during the year.

#### **SHAREHOLDERS/ INVESTORS GRIEVANCES COMMITTEE**

The Board of the Company has constituted an Investors' Grievances Committee, comprising of Prof. (Dr.) B B Tandon as Chairman, Shri H K Singhal and Shri Bhavnesh K Gupta, Company Secretary. The Committee monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet, dividends, dematerialization of shares etc. The Company has attended to most of the investor's grievances/ correspondence within a period of 10 days from the date of receipt, except in cases constrained by disputes or legal impediment.

#### **GENERAL BODY MEETINGS**

Venue & time of previous meetings of shareholders, including three Annual General Meetings:

Nature of Meetings	Day	Date	Time	Venue
AGM	Saturday	28.09.2013	11.30 a.m.	At Regd Office at Village Harkishanpura Distt Sangrur (Punjab)
AGM	Friday	28.09.2012	11.30 a.m.	Same as above
AGM	Thursday	29.09.2011	11.30 a.m.	Same as above

No special resolutions were put through postal Ballot during last year, as there was no such item, which required to be passed through postal ballot.

#### **DISCLOSURES:**

- The transactions with the Companies, where the Directors of the Company were interested, were in the normal course of business and there were no materially significant related party transactions that might have had potential conflict with the interest of the Company at large.
- Shri R K Garg is also the Chairman of Steel Strips Wheels Ltd., Steel Strips Infrastructures Ltd., SAB Industries Ltd. and Steel Strips Ltd and Director of Indlon Chemicals Ltd. The group, headed by Shri R K Garg & Family members, namely Smt. Sunena Garg, Ms. Priya Garg and Shri Dheeraj Garg, comprises of the following companies:  
Indian Acrylics Ltd., SAB Industries Ltd., Steel Strips Wheels Ltd., Steel Strips Ltd., Steel Strips Infrastructures Ltd., Steel Strips Industries Ltd., Indlon Chemicals Ltd., SAB Developers Pvt. Ltd., Malwa Chemtex Udyog Ltd., S.S. Credits Pvt. Ltd., S.J. Mercantile Pvt. Ltd., Indian Acrylics Investments Ltd., Malwa Holdings Pvt. Ltd., Steel Strips Mercantile Pvt. Ltd., Steel Strips Financiers Pvt. Ltd., Steel Strips Holdings Pvt. Ltd., Munak International Pvt. Ltd., Munak Financiers Pvt. Ltd., Munak Investments Pvt. Ltd., S.A.B. Udyog Ltd., Chandigarh Developers Pvt. Ltd. and DHG Marketing Pvt. Ltd.
- There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.

#### **INSIDER TRADING**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". Sh. H K Singhal, Financial Advisor of the Company had been appointed as the Compliance Officer for this purpose. The Code is applicable to all such employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company as well as all Directors.

#### **MEANS OF COMMUNICATION**

Quarterly Results:

The quarterly financial results are regularly published in Financial Express/ Business Standard and Punjabi Tribune. All price sensitive information is made available at the earliest under intimation to Stock Exchanges.

## INDIAN ACRYLICS LIMITED

### GENERAL SHAREHOLDER INFORMATION

Annual General Meeting of the Company will be held on Monday the 29th day of September 2014 at Regd. Office of the Company.

### FINANCIAL CALENDAR (Tentative)

Results for quarter ending June 2014	:	Second week of Aug., 2014
Results for quarter ending Sept. 2014	:	Second week of Nov., 2014
Results for quarter ending Dec. 2014	:	Second week of Feb., 2015
Results for quarter ending March 2015	:	Last week of May, 2015
Date of Book Closure	:	From 22 <sup>nd</sup> September 2014 to 29 <sup>th</sup> September 2014
Dividend Payment Date	:	Not Applicable
Scrip Code on BSE	:	514165

### STOCK MARKET DATA

(₹./ PER SHARE)

#### BOMBAY STOCK EXCHANGE

MONTH	MONTH'S HIGH	MONTH'S LOW	NO. OF SHARES	NO. OF TRADES	NET TURNOVER (₹.)
April-13	2.66	1.95	383932	504	8,96,585.00
May-13	2.37	1.93	337162	435	7,22,307.00
June-13	2.45	1.93	269538	557	5,59,183.00
July-13	2.42	1.91	399041	1206	8,34,128.00
August-13	2.68	1.76	639583	1584	14,32,226.00
September-13	3.29	2.49	1667097	1703	49,35,388.00
October-13	3.45	2.52	446744	1371	13,73,149.00
November-13	3.25	2.71	400676	1245	11,98,270.00
December-13	4.00	2.90	1109684	2858	38,18,707.00
January-14	4.50	3.40	1085056	3486	43,17,161.00
February-14	3.99	3.10	753940	1488	25,66,491.00
March-14	3.50	2.50	805542	2557	23,52,427.00

### Shareholding Pattern as on 31st March 2014

Sr. No.	Particulars	No. of Shares	%age
1.	Promoters, Directors & Associates	72079849	53.27
2.	Bodies Corporate	9156118	6.77
3.	FI's & Mutual Funds	9473733	7.00
4.	NRI's	298154	0.22
5.	General Public	44314308	32.74
	Total	135322162	100.00

### Distribution of shareholding as on 31st March 2014

Share holding of		Shareholders		Share Amount	
Face Value (₹.)	Face Value (₹.)	Number	%age to Total	In ₹.	%age to Total
10	To 5000	99198	92.48	131327010	9.70
5001	To 10000	3863	3.60	34896690	2.58
10001	To 20000	1786	1.67	29733340	2.20
20001	To 30000	650	0.61	17516730	1.29
30001	To 40000	314	0.29	11538060	0.85
40001	To 50000	416	0.39	20283540	1.50
50001	To 100000	520	0.48	40867010	3.02
100001	and Above	512	0.48	1067059240	78.86
		107259	100.00	1353221620	100.00

**Dematerialization of shares and liquidity:**

Trading in Equity shares of our company is permitted only in dematerialized form effective from 26.09.2000 as per the notification issued by the Securities and Exchange Board of India (SEBI). Our company has signed agreements with both the Depositories viz. NSDL & CDSL. The Company has appointed M/s Alankit Assignments Ltd. 2E/21, Alankit House, Jhandewalan Extension, New Delhi 110055, as common agency to look after dematerialization of shares as well as for physical transfer of shares. Our Company's capital comprises only of Equity Shares and the company does not have any preference shares, ADR or GDR The company has dematerialized 1254 lakhs equity shares comprising 92.64% of the total Equity till date.

Demat ISIN Number allotted to the Company by NSDL and CDSL for equity shares is INE862B01013

**REGISTERED OFFICE & WORKS:**

Village Harkishanpura, Sub-Tehsil Bhawanigarh, Distt. Sangrur (Punjab) – 148 026.

**ADDRESS FOR CORRESPONDENCE & CORPORATE OFFICE:**

SCO 49-50, Sector 26, Madhya Marg, Chandigarh – 160 019.

Phone No. 0172-2793112, 2792385, 2790979, Fax No. 0172-2794834, 2790887

Designated E-Mail address for Investor Services: [shares@indianacrylics.com](mailto:shares@indianacrylics.com)

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

On Behalf of Board of Directors

**Place: Chandigarh**  
**Dated: 30.05.2014**

**H K SINGHAL**  
**Finance Director**

**R K GARG**  
**MANAGING DIRECTOR**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN ANNUAL GENERAL MEETING**

Name of Director (DIN)	Rear Adml. M. M. Chopra (Retd.) (DIN-00036367) 28/03/1933	Sh.A.S Chatha, IAS (DIN-02289613)	Prof.(Dr.) B B Tandon (DIN-00035266)	Shri A. K. Mahajan (DIN-00648889)
Date of Birth	28/03/1933	14/01/1936	15/09/1937	07/05/1957
Date of first Appointment	29/05/1999	31/05/2010	23/02/2003	19/05/2008
Qualification Experience in Specific functional areas	Retired from Indian Navy where he held various prestigious positions. After retiring from navy, he has functioned as the Executive Director of M/s Bombay Dyeing & Mfg Co. Ltd. He has been guiding our Company to streamline procedures, better co-ordination and faster decision making.	Shri A S Chatha, B.E. (Hons.) Joined the I.A.S. cadre of Punjab in 1963 and served it with distinction till 1995. He held wide range of assignments from the field to the secretariat such as Deputy Commissioner of Patiala, Sangrur, Ludhiana, Managing Director, PSIDC Ltd., Joint Secretary, Ministry of Commerce, Govt. of India and Principal Secretary, Department of Industries, Cooperation, Housing, Irrigation and Power, Home and Justice and finally as Chief Secretary to the Govt. of Punjab.	M.Sc. from Lodon School of Economics & a Textile Technologist. He was Chairman of Ludhiana Stock Exchange. Earlier he was the Dean and Chairman of the University Business School, Panjab University, Chandigarh and Director Gian Jyoti Institute of Technology, Mohali.	Executive Director, PSIDC Ltd.
List of companies in which outside Directorships held	- Steel Strips Wheels Ltd. - Steel Strips Ltd.	- Worldwide Immigration Consultancy Services Limited - Nahar Industrial Enterprises Limited - Steel Strips Wheels Ltd. - J. Kumar Infra projects Limited - Monte Carlo Fashions Limited	- Steel Strips Infrastructures Ltd. - Steel Strips Ltd.	- Healthcaps India Limited - SwarajAutomotives Limited - Rama Industries Limited - Satia Synthetics Limited - Supreme Tex Mart Limited - Milk Specialities Limited
Chairman/Member of the Committee of Board of Directors of the Company	Chairman of Audit Committee, Remuneration Committee and Member of Sub-Committee	Nil	Member of Audit Committee, Sub-Committee, Remuneration Committee and Share Holder Grievance Committee	Nil
Chairman/ Member of the Committee of Directors of other Companies in which he is a Director	Member of audit Committee of Steel Strips Ltd.	Nil	Member of Audit Committee of Steel Strips Infrastructures Ltd.	Nil
No. of shares held in the Company	Nil	Nil	Nil	Nil

## INDIAN ACRYLICS LIMITED

### AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

#### CERTIFICATE OF CORPORATE GOVERNANCE

We have examined the Company's compliance of conditions of Corporate Governance by Steel Strips Limited for the year ended on 31<sup>st</sup> March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

On the basis of our review of the relevant records and documents maintained by the company and furnished to us for review and the information and explanations given to us by the company, we certify that the company complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement with the Stock Exchanges.

For S C DEWAN & CO.  
CHARTERED ACCOUNTANTS  
(Regn. No. 000934N)

**S C DEWAN**  
Partner  
M.No. 15678

Place: Chandigarh  
Dated: 30.05.2014

#### DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

This is to confirm that the Board has prescribed code of conduct for all the Board members and Senior Management of the Company, which is available on the website of the Company.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March 2014, received from its Board Members as well as senior management personnel, a declaration of compliance with the code of conduct as applicable to them.

Place: Chandigarh  
Date: 30.05.2014

**H.K. SINGHAL**  
Finance Director

### CEO'S/CFO'S Certificate TO WHOMSOEVER IT MAY CONCERN

In Compliance to Clause 49 of the Listing Agreement

#### We hereby certify that:

- (1) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief: -
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct.
- (3) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (4) There have been no:-
  - (i) significant changes in internal control during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Chandigarh  
30.05.2014

**H.K. SINGHAL**      **R.K. Garg**  
Finance Director      Managing Director

## INDEPENDENT AUDITOR'S REPORT

To the Members of

Indian Acrylics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indian Acrylics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and 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

Management is responsible for 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 accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were

necessary for the purpose of our audit;

- In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.C. Dewan & Co**

Chartered Accountants

FRN : 000934N

**S.C. Dewan**

Partner

Place : Chandigarh

Date : 30.5.2014

M No. : 015678

### The Annexure to the Independent Auditors' Report Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

- In respect of its fixed assets:
  - The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- In respect of its Inventories :
  - The management has conducted physical verification of inventory at reasonable intervals during the year.
  - The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
  - The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- As there are no loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under section 301 of The Companies Act, 1956 the provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system in respect of these areas.

## INDIAN ACRYLICS LIMITED

5. a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and does not exceeding the value of Rupees five lacks during the financial year therefore requirement of reasonableness of transactions does not arises.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and rule framed there under are not applicable for the year under audit.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
9. In respect of statutory dues:-
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date becoming payable.
- (b) According to the information and explanations given to us, there are some demands/claims disputed by the company as per details given below:

Nature of the Dues	Amount (₹.In Lakhs)	Forum where dispute is pending	Period to which amount relates
Sales Tax	78.68	Supreme Court	2002-03
Excise Duty	1.16	Commissioner (Appeals) Excise	Various years from 2005 to Feb., 2009
	2.81	Asstt. /Dy. Commissioner (Excise)	2002-03
	10.21	Cestat	Various years from 2005-06 to 2009-10
	100.49	Additional Commissioner (Excise)	2001-02, 2002-03 & 2005-08
Custom Duty	314.95	Supreme Court	2004-05
	29.37	Additional Commissioner (Customs)	Various years from 2000-01 to 2003-04
	17.79	Cestat	2003-04 & 2004-05

10. The Company has accumulated losses at the end of the financial year. However, the Company has not incurred any cash losses during the financial year under consideration nor in the immediately preceding financial year
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
12. In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities and other investments. The Company has maintained proper records of transactions and contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. Based on the information and explanations given to us by the management, we report that the company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any secured debentures.
20. The Company has not raised any money by way of public issues during the year
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

**For S.C. Dewan & Co**  
Chartered Accountants  
FRN : 000934N

**S.C.Dewan**  
Partner  
M No. : 015678

Place : Chandigarh  
Date : 30.5.2014



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

PARTICULARS	NOTE NO.	AS AT 31/03/2014 (₹ in lacs)	AS AT 31/03/2013 (₹ in lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	13,532.22	13,532.22
(b) Reserves & Surplus	2	(6,095.35)	(7,227.37)
<b>Total (1)</b>		<b>7,436.87</b>	<b>6,304.85</b>
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non- Current Liabilities</b>			
(a) Long-Term borrowings	3	-	326.76
(b) Deferred Tax Liabilities (Net) (Refer Note 22.9)		-	-
(c) Other Long Term Liabilities		1,399.81	1,543.12
(d) Long Term Provisions		-	-
<b>Total (3)</b>		<b>1,399.81</b>	<b>1,869.88</b>
<b>(4) Current Liabilities</b>			
(a) Short-Term borrowings	4	2,483.26	3,546.48
(b) Trade payable	5	14,089.12	12,137.49
(c) Other Current Liabilities	6	1,970.29	1,067.32
(d) Short-Term Provisions	7	472.49	351.13
<b>Total (4)</b>		<b>19,015.17</b>	<b>17,102.43</b>
<b>Total (1 to 4)</b>		<b>27,851.85</b>	<b>25,277.16</b>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	8	8,120.91	9,012.46
(ii) Intangible assets		-	-
(iii) Capital work-in progress	8	2,254.91	202.10
		<b>10,375.82</b>	<b>9,214.57</b>
<b>(b) Non-Current Investments</b>			
		-	-
<b>(c) Deferred Tax Assets (Net) (Refer Note 22.9)</b>			
		-	-
<b>(d) Long Term Loans and Advances (Security Deposits)</b>			
		106.86	100.34
<b>(e) Other Non-Current assets</b>			
		-	-
<b>Total (1)</b>		<b>10,482.67</b>	<b>9,314.91</b>
<b>(2) Current Assets</b>			
<b>(a) Current Investments</b>			
		-	-
(b) Inventories	9	11,209.31	10,810.86
(c) Trade Receivables	10	2,166.19	2,934.27
(d) Cash and Bank Balances	11	2,140.88	703.95
(e) Short-Term Loans and Advances	12	1,762.54	1,301.27
(f) Other Current Assets	13	90.25	211.90
<b>Total (2)</b>		<b>17,369.18</b>	<b>15,962.25</b>
<b>Total (1+2)</b>		<b>27,851.85</b>	<b>25,277.16</b>

### SIGNIFICANT ACCOUNTING POLICIES 22

See accompanying notes to the financial statements

#### AUDITORS' REPORT

Certified in terms of our separate report of even date annexed.

For S. C. Dewan & Co.  
Chartered Accountants  
(Regn. No. 000934N)

**S.C. DEWAN**  
Partner  
(M.No. 015678)

**R.K. GARG**  
Mg. Director  
**H.K. SINGHAL**  
Finance Director

**ASHOK KUMAR GUPTA**  
**B.B. TANDON**  
**A.S. CHATHA**  
**M.M. CHOPRA**  
Directors  
**B.K. GUPTA**  
Company Secretary

Place : CHANDIGARH  
Dated : 30.05.2014

## INDIAN ACRYLICS LIMITED

### PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

PARTICULARS	NOTE NO.	AS AT 31/03/2014 (₹. in lacs)	AS AT 31/03/2013 (₹. in lacs)
I. Revenue from Operations	14	62,732.92	38,753.72
II. Other Income	15	379.78	518.00
<b>III Total Revenue (I+II)</b>		<b>63,112.69</b>	<b>39,271.72</b>
IV. Expenses:			
Cost of Materials Consumed	16	42,461.72	22,169.19
Purchase of Stock-in-Trade	17	6,775.72	4,473.79
Change in Inventories of Finished Goods, work-in-Progress and Stock-in-Trade	18	(1,308.19)	2,942.53
Employee benefit Expense	19	1,661.46	1,467.97
Financial Costs	20	2,386.88	1,902.55
Other Expenses	21	9,007.06	6,048.01
Depreciation and amortization expense		974.71	648.22
<b>Total Expenses</b>		<b>61,959.38</b>	<b>39,652.26</b>
V. Profit / (Loss) before exceptional and Extraordinary Items and Tax (III - IV)		1,153.32	(380.54)
VI. Extra ordinary Items			
Claims Settled		-	814.49
Prior Period Adjustment		(21.30)	(17.10)
VII. Profit / (Loss) before Tax (V - VI)		1,132.02	416.85
VIII. Tax Expense:			
Income Tax (MAT)		-	-
IX. Profit / (Loss) from the period from continuing operations VII - VIII)		1,132.02	416.85
Earning / (Loss) per share - (i) Basic (₹.)		0.84	0.31
(ii) Diluted		0.84	0.31
(Nominal value of share of ₹.10 each)			
Weighted average number of shares		13,53,22,162	13,53,22,162

**See accompanying notes to the financial statements**

#### AUDITORS' REPORT

Certified in terms of our separate report of even date annexed.

For S. C. Dewan & Co.  
Chartered Accountants  
(Regn. No. 000934N)

**S.C. DEWAN**  
Partner  
(M.No. 015678)

**R.K. GARG**  
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**M.M. CHOPRA**  
Directors  
**B.K. GUPTA**  
Company Secretary

Place : CHANDIGARH  
Dated : 30.05.2014



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	CURRENT YEAR	(₹. in Lacs) PREVIOUS YEAR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	1,153.32	(380.54)
ADJUSTMENT FOR :		
i) ADD : DEPRECIATION	974.71	648.22
ii) ADD : INTERST & FINANCIAL CHARGES EXPENSES	2,386.88	1,902.55
LESS : INCOEME TAX (MAT)	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,514.91	2,170.23
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	421.94	104.58
INVENTORIES	(398.45)	(222.08)
TRADE PAYABLES / CURRENT LIABILITIES	1,874.35	(935.88)
CASH GENERATED FROM OPERATIONS	6,412.76	1,116.85
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
EXTRAORDINARY ITEMS / PRIOR PERIOD ADJUSTMENT	(21.30)	797.39
NET CASH FROM OPERATING ACTIVITIES	6,391.46	1,914.24
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	2,139.14	164.30
SALE OF USED CAR	3.17	0.45
NET CASH USED IN INVESTING ACTIVITIES	2,135.97	163.85
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
INTEREST & FINANCIAL CHARGES PAID	2,386.88	1,902.55
PROCEEDS FROM ISSUE OF FRESH SHARE CAPITAL	-	-
TERM LOANS REPAYMENTS	288.37	540.53
UNSECURED LOAN (INTER CORPORATE LOANS) PAID/(RECEIVED)	143.31	(612.12)
NET CASH USED IN FINANCING ACTIVITIES	2,818.56	1,830.96
<b>D. NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES</b>		
CASH AND BANK BALANCES (OPENING BALANCE)	703.95	784.50
CASH AND BANK BALANCES (CLOSING BALANCE)	2,140.88	703.95

### AUDITORS' REPORT

We have verified the attached Cash Flow Statement of M/s Indian Acrylics Limited derived from audited financial statements and the books and records maintained by the company for the year ended 31st March, 2014 and found the same in agreement therewith.

For S. C. Dewan & Co.  
Chartered Accountants  
(Regn. No. 000934N)

**S.C. DEWAN**  
Partner  
(M.No. 015678)

**R.K. GARG**  
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Finance Director

**ASHOK KUMAR GUPTA**  
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**A.S. CHATHA**  
**M.M. CHOPRA**  
Directors  
**B.K. GUPTA**  
Company Secretary

Place : CHANDIGARH  
Dated : 30.05.2014

## INDIAN ACRYLICS LIMITED

### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	AS AT 31.03.2014 (₹.in Lacs)	AS AT 31.03.2013 (₹.in Lacs)
-------------	------------------------------------	------------------------------------

#### NOTE NO. '1' SHARE CAPITAL

##### AUTHORISED

1500 Lac (Previous Year 1500 Lac)

Equity Shares of ₹. 10/- each

15,000.00

15,000.00

##### ISSUED, SUBSCRIBED AND PAID UP

135322162 Equity Shares of ₹.10/- each

fully paid up. (Previous year 135322162)

13,532.22

13,532.22

**Total**

13,532.22

13,532.22

No of shares held by Shareholders holding 5% & above:-

1. SHRI DHEERAJ GARG	10,965,889	8.10	10,965,889	8.10
2. IFCI LTD	9,241,583	6.83	9,515,753	7.03
3. SAB INDUSTRIES LTD	14,793,772	10.93	14,793,772	10.93
4. SAB UDYOG LTD	16,880,646	12.47	16,880,646	12.47
5. PSIDC LTD	18,330,000	13.55	18,330,000	13.55

#### NOTE NO. '2' RESERVES & SURPLUS

##### 1. Capital Reserves

2,171.19

2,171.19

##### 2. Securities Premium Reserves

39.23

39.23

##### 3. Other - General Reserves

80.00

80.00

##### 4. Debit balance of Profit & Loss Account

- Opening Balance

(9,517.79)

(9,934.65)

- Add: Profit for the year

1,132.02

416.85

**Total**

(8,385.77)

(9,517.79)

**Total**

(6,095.35)

(7,227.37)

#### NOTE NO. '3' LONG TERM BORROWING

##### SECURED LOANS

##### From Banks

Rupee Term Loans

-

-

-

67.61

Foreign Currency Loans

-

432.76

326.76

326.76

**Total (A)**

-

432.76

326.76

394.37

The Term Loans from banks are secured by mortgage created on all the immovable assets of the Company, hypothecation of all the moveable assets including movable machinery, machinery parts, tools and accessories and other movables, (save and except book debts), subject to charges created or to be created in favour of the Company's Bankers for securing working capital limits. These Loans are further guaranteed by Sh.R.K.Garg, Managing Director, Sh.Dheeraj Garg, Additional Managing Director and Mrs. Sunena Garg.

#### NOTE NO. '4' SHORT TERM BORROWING

##### SECURED LOANS

Cash Credit Account

-

723.51

-

964.81

Buyer Credits

-

1,759.75

-

2,581.67

-

2,483.26

-

3,546.48

Cash Credit / Working capital borrowings are secured by hypothecation of book debts, raw-material, finished goods, semi-finished goods, consumable stores and spares including stocks in transit of the company and also by a second charge on the fixed assets of the company and further guaranteed by Sh.R.K.Garg, Managing Director, Sh.Dheeraj Garg, Additional Managing Director and Mrs. Sunena Garg and also by Indlon Chemicals Limited.

PARTICULARS	ASAT	ASAT
	31.3.2014	31.03.2014
	(₹.in Lacs)	(₹.in Lacs)

**NOTE NO. '5' CURRENT LIABILITIES & PROVISIONS  
TRADE PAYABLES**

**Trade Payable**

- For Purchases - Micro & Small Enterprises #	54.89	42.67
- Others	13,209.38	11,403.95
- For Capital Goods	254.19	53.28
- Expenses Payable	570.66	637.59
<b>Total</b>	<b>14,089.12</b>	<b>12,137.49</b>

# Include a sum of ₹.1.13 Lacs (Previous Year ₹.Nil) outstanding for more than 45 days over the due date, determined to the extent the parties have been identified on the basis of information with the company.

# Details of amount outstanding to Micro & Small Enterprises as defiend under Micro, Small & Medium Enterprises Development Act 2006 based on available information with the company is as under :

Principal amount due and remaining unpaid	54.89	42.67
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaing due and payable in succeeding years	-	-

**NOTE NO. '6' OTHER CURRENT LIABILITIES**

1) Current Maturity of Long Term debt *	432.76	394.37
2) Interest accrued & due to banks	2.46	6.27
3) Cheques Issued But Not Yet Presented for Payment	230.22	166.82
4) Other Payables **	1,304.86	499.86
<b>Total</b>	<b>1,970.29</b>	<b>1,067.32</b>

\* Details are given in Note No.3.

\*\* Includes statutory dues & advance from customers.

**NOTE NO. '7' SHORT TERM PROVISIONS**

Provisions for Gratuity & Earned Leaves	257.49	179.65
Provisions for Excise Duty on Finished Goods	120.07	98.91
Provision for Others	94.93	72.58
<b>Total</b>	<b>472.49</b>	<b>351.13</b>

**NOTE NO. '8' FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost As At 01.04.2013 (₹.in Lacs)	Additions (₹.in Lacs)	Sale (₹.in Lacs)	Cost As At 31.03.2014 (₹.in Lacs)	Upto 01.04.2013 (₹.in Lacs)	For the year (₹.in Lacs)	Upto 31.03.2014 (₹.in Lacs)	As At 31.03.2014 (₹.in Lacs)	As At 31.03.2013 (₹.in Lacs)
a) Land	265.20	-	-	265.20	-	-	-	265.20	265.20
b) Building	6,717.62	0.99	-	6,718.61	3,229.09	207.29	3,436.37	3,282.24	3,488.54
c) Plant & Equipments	33,663.28	55.98	-	33,719.26	28,527.46	736.97	29,264.43	4,454.83	5,135.81
d) Furniture / Fixture	201.10	3.21	-	204.31	156.16	8.37	164.54	39.77	44.94
e) Vehicles	204.02	20.48	3.17	221.33	153.88	14.76	168.64	52.69	50.14
f) Office Equipment	262.42	5.67	-	268.09	234.58	7.33	241.91	26.17	27.84
<b>Total (₹.)</b>	<b>41,313.64</b>	<b>86.36</b>	<b>3.17</b>	<b>41,396.80</b>	<b>32,301.18</b>	<b>974.71</b>	<b>33,275.89</b>	<b>8,120.91</b>	<b>9,012.45</b>
Previous Year	41,216.20	97.90	0.45	41,313.64	31,652.95	648.22	32,301.18	9,012.46	9,563.24

**CAPITAL WORK IN PROGRESS**

	As At 31.03.2014 (₹.in Lacs)	As At 01.04.2013 (₹.in Lacs)
Advance to Capital Goods Suppliers	323.35	187.83
Building / Plant & Machinery Under Erection /Installation	1,931.55	14.27
<b>Total (₹.)</b>	<b>2,254.91</b>	<b>202.10</b>

Depreciation is provided as per rates specified in Schedule XIV of the Companies Act, 1956 as per details given below:

- S.No. Name of Asset  
1. Building, Tubwell & Weigh Bridge  
SLM Basis
- Plant & Machinery  
(for current year has been provided for 338 days for both lines  
(Previous Year 319 days on one line & 12 days on second line)  
WDV Basis
- Other Assets (Vehicles, Furniture & Fixture)  
WDV Basis

The plant being a continuous process plant, so rates of depreciation as applicable to continuous process industry have been applied

PARTICULARS	AS AT 31.03.2014 (₹.in Lacs)	AS AT 31.03.2013 (₹.in Lacs)
<b>NOTE NO. '9' INVENTORIES</b>		
(As taken valued and certified by the Management)		
1. Raw Materials	5892.41	6781.21
2. Work in Progress	915.07	804.54
3. Finished Goods	1,091.55	899.12
4. Stock in trade	2,473.43	1,468.19
5. Stores and Spares	836.86	8.57.80
<b>Total</b>	<b>11,209.31</b>	<b>10,810.86</b>
<p>1. Raw Materials Stores and Spares at weighted average cost plus direct expenses.</p> <p>2. Work in Process at raw material cost plus conversion expenses depending upon stage of completion.</p> <p>3. Finished Goods at Raw Materials cost plus conversion cost, Packing cost, Excise duty and other overheads to bring the goods to present condition and location.</p> <p>4. Raw material and other stocks lying at port pending clearance at cost inclusive of custom duty actually paid. The custom duty payable on material lying into bond is accounted on clearance for home consumption.</p>		
<b>NOTE NO. '10' TRADE RECEIVABLE</b>		
(Unsecured and considered good unless otherwise stated) Outstanding for a period exceeding six months		
	67.61	57.30
Less: Provision for bad & doubtful debts	8.93	8.93
	58.68	48.37
Others - Considered good	2,107.51	2,885.90
<b>Total</b>	<b>2,166.19</b>	<b>2,934.27</b>
Trade receivable include a sum of ₹.2.43 Lacs (Previous year ₹.2.31 lacs), maximum during the year ₹.2.43 lacs (Previous year ₹.2.57 lacs) receivable from Indlon Chemicals Ltd., an associate company.		
<b>NOTE NO. '11' CASH &amp; CASH EQUIVALENTS</b>		
Cash-in-Hand	25.98	26.26
Cheques and Drafts in Hand pending Collection	159.77	3.66
<b>Balance with Banks</b>		
In current account	75.70	15.70
Fixed Deposit Receipts (Under bank lien)	1,879.44	658.32
<b>Total</b>	<b>2,140.88</b>	<b>703.95</b>
<b>NOTE NO. '12' SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
(a) Loan and advances to related parties	-	-
(b) Other Loan & advances:		
Cenvat Balance	217.34	8.02
Advance to Suppliers	382.57	290.56
Advance to Staff	54.52	22.20
Service tax Receivable	82.41	60.83
Other Advances	1,025.69	919.66
<b>Total</b>	<b>1,762.54</b>	<b>1,301.27</b>
<b>NOTE NO. '13' OTHER CURRENT ASSETS</b>		
Interest Receivable	33.45	124.39
Prepaid Expenses	35.09	56.58
Tax Deducted At Source	21.71	30.93
<b>Total</b>	<b>90.25</b>	<b>211.90</b>

## INDIAN ACRYLICS LIMITED

PARTICULARS	AS AT 31.03.2014 (₹.in Lacs)	AS AT 31.03.2013 (₹.in Lacs)		
<b>NOTE NO. '14 ' REVENUE FROM OPERATIONS</b>				
<b>i) GROSS SALES</b>				
- Domestic	49,105.51	36,595.91		
- Export	18,639.38	5,592.65		
- Total	67,744.89	42,188.56		
- Less: Excise Duty	5,011.97	3,434.84		
- NET SALES	<u>62,732.92</u>	<u>38,753.72</u>		
<b>NOTE NO. '15 ' OTHER INCOME</b>				
i) Sale of Scrap	70.05	63.17		
ii) Interest Received on Fixed Deposits with Banks (TDS deducted ₹.11.24 Lacs(Previous ₹. 7.20 Lacs)	126.84	83.39		
iii) Interest Received on Income Tax Refund	1.19	0.90		
iv) Agricultural Income	3.51	4.03		
v) Sale of Certified Emission Reductions*	-	64.97		
vi) Sale of Power	54.42	56.28		
vii) Others Misc Income	123.76	245.26		
<b>Total</b>	<u>379.78</u>	<u>518.00</u>		
* Certified Emission Carbon Credits issued & pending for sales are 36723 CER (Previous Year 36723 CER). These will be taken as Income in Profit & Loss Account as and when sold.				
<b>NOTE NO. '16' COST OF MATERIALS CONSUMED</b>				
Imported Raw Material	73.95	31,401.22	61.95	13,734.05
Indegenous Raw Material	26.05	11,060.50	38.05	8,435.15
<b>Total</b>	<u>100.00</u>	<u>42,461.72</u>	<u>100.00</u>	<u>22,169.19</u>
Value of Imports on CIF basis in respect:				
Raw Material		24006.86		11609.61
Components & Spares Parts		404.29		161.72
<b>NOTE NO. '17' PURCHASE OF STOCK-IN-TRADE</b>				
Purchase of Goods Traded & Yarn Charges		6,775.72		4,473.79
<b>NOTE NO. '18' CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>				
Opening Stock				
Finished Goods				
- Own Manufactured		899.12		2,730.10
- Trading		1,468.19		2,702.90
Stocks in Process		804.54		681.38
<b>Total (₹.)</b>		<u>3,171.85</u>		<u>6,114.38</u>
<b>Closing Stock</b>				
Finished Goods				
- Own Manufactured		1,091.55		899.12
- Trading		2,473.43		1,468.19
Stocks in Process		915.07		804.54
		<u>4,480.04</u>		<u>3,171.85</u>
(Increase)/Decrease in Stock		<u>(1,308.19)</u>		<u>2,942.53</u>



PARTICULARS	AS AT	AS AT
	31.03.2014 (₹.in Lacs)	31.03.2013 (₹.in Lacs)

**NOTE NO. '19' EMPLOYEE BENEFIT EXPENSES**

**EMPLOYEE COST**

Salary & Other Allowances	1,189.83	1,102.87
Contribution to PF & Other Funds	138.96	123.77
Staff Welfare	155.04	136.45
Staff Training & Recruitment	13.42	10.75
Gratuity	75.50	25.78
<b>Managerial Remuneration</b>		
Salary	57.60	37.60
Perquisites / Sitting Fee	27.07	26.72
Contribution towards Provident Fund	4.03	4.03
	<u>1,661.46</u>	<u>1,467.97</u>

The Company has a defined benefit gratuity and Earned Leave plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. And cumulation of EL is upto 60 days.

The following tables summarize the components of net benefit expense recognised in the Profit and Loss Account and the amounts recognised in the balance sheet.

The Employee's gratuity fund scheme managed by a Trust (Life insurance corporation of India) is defined benefit plan. The Present Value of obligation is determined based on actuarial valuation using the projected unit credit method which recognises each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Net employee benefit expenses (recognised in Employee Cost)

Profit and Loss	Earned Leave	Gratuity	Earned Leave	Gratuity
	2013-2014	2013-2014	2012-2013	2012-2013
Current service cost	6.90	22.99	8.02	20.30
Interest cost on benefit obligation	4.08	22.89	3.07	18.86
Net actuarial (gain)/ loss recognised in the period	5.18	5.11	3.83	(4.67)
Expected Returns on plan assets	1.14	7.49	1.43	9.38
Net benefit expenses recognised in the Profit and Loss a/c	15.02	45.50	13.49	25.11

**Balance Sheet. Details of Provision for gratuity**

Defined benefit obligation	40.38	217.10	34.10	145.55
Less: Unrecognised past service cost	-	-	-	-
Net asset/ (liability) recognised in the balance sheet	40.38	217.10	34.10	145.55

Note: The above plans are Funded.

**Changes in present value of the defined benefit obligation are as follows:**

Opening defined benefit obligation	51.02	286.48	36.10	221.85
Interest cost	4.08	24.89	3.07	18.86
Past service cost	-	-	-	-
Current service cost	6.90	22.99	8.02	20.31
Benefit paid	8.76	3.95	-	-
Actuarial (gains)/ losses on obligation	5.18	5.11	3.83	25.47
Closing defined benefit obligation	58.45	335.52	51.02	286.49

**The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:**

Discount rate (%)	8.75	8.75	8.50	8.50
Expected Increase in Compensation cost	5.00	5.00	5.00	5.00
Attrition	1.00	1.00	1.00	1.00
Mortality basis		Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (1994-96)	Indian Assured Lives Mortality (1994-96)

**Note:** The retirement age has been uniformly taken as 58 for worker and 60 years for other staff. 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 the employment market. The discount rates have been determined by reference to market yields as on 31st March 2014 on CG-Secs of currency and term consistent with those of liability obligations.

## INDIAN ACRYLICS LIMITED

PARTICULARS	ASAT 31.03.2014 (₹.in Lacs)	ASAT 31.03.2013 (₹.in Lacs)
<b>NOTE NO. '20' INTEREST &amp; FINANCIAL EXPENSES</b>		
Interest on Term Loans	155.22	100.35
Working Capital interest & Bank Charges	961.39	863.12
Exchange Fluctuation	1,270.27	939.07
<b>Total (₹.)</b>	<b><u>2,386.88</u></b>	<b><u>1,902.55</u></b>
<b>NOTE NO. '21' OTHER EXPENSES</b>		
<b>1. MANUFACTURING COST</b>		
Power & Fuel	5,739.74	4,056.70
Repair & Maintenance	141.36	141.66
Stores ,Spares & Consumables	999.21	560.87
Factory Expenses	397.36	266.87
	<b><u>7,277.67</u></b>	<b><u>5,026.09</u></b>
<b>2. ADMINISTRATIVE COST</b>		
Rent	148.39	153.49
Rates & Taxes	9.53	9.23
Auditors Remuneration		
Audit Fee including Tax Audit Fee	7.00	7.00
Certification Charges	2.00	2.00
Advertisements & Publicity	0.55	0.88
Insurance	29.09	25.57
Travelling Expenses - Foreign		
- Directors	67.30	11.19
- Others	44.33	31.56
Travelling Expenses - Inland		
- Directors	6.75	4.13
- Others	91.14	78.45
Miscellaneous Expenses	376.35	307.92
	<b><u>782.44</u></b>	<b><u>631.42</u></b>
<b>3. SELLING &amp; DISTRIBUTION EXPENSES</b>		
- Freight Outward	159.19	120.15
- Others	18.57	14.60
Export Expenses		
- Commission	25.25	47.04
- Freight Forwarding & Clearing Expenses	743.94	208.71
	<b><u>946.95</u></b>	<b><u>390.50</u></b>
<b>Total (1+2+3)</b>	<b><u>9,007.06</u></b>	<b><u>6,048.01</u></b>

### NOTE NO. '22'

#### NOTE ON ACCOUNTS

##### 1. SIGNIFICANT ACCOUNTING POLICIES :

- i) The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standard and relevant presentational requirements of the Companies Act, 1956.
- ii) **FIXED ASSETS:**  
Fixed Assets are stated at cost less depreciation. Cost of acquisition or construction is inclusive of duties, taxes and other incidental expenses. Cenvat credit available is deducted from cost of fixed assets. Capital work-in-progress includes advances paid for purchase of Fixed Assets, preoperative expenses pending capitalisation, and capital work in progress. As per practice, expenses incurred on modernisation / bottlenecking of plant are capitalised.

iii) **Depreciation :**

Depreciation is provided as per rates specified in Schedule XIV of the Companies Act, 1956 as per details given below:

<u>S.No.</u>	<u>Name of Asset</u>	
1.	Building	SLM Basis
2.	Plant & Machinery	WDV Basis
3.	Other Assets (Vehicles, Furniture & Fixture)	WDV Basis

The plant being a continuous process plant, so rates of depreciation as applicable to continuous process industry have been applied.

iv) **Inventories :**

Inventories are valued as under :-

- In case of raw materials stores and spares at weighted average cost plus direct expenses.
- In case of work in process at raw material cost plus conversion expenses depending upon stage of completion.
- In case of finished goods at raw materials cost plus conversion cost, packing cost, excise duty and other overheads to bring the goods to present condition and location.
- Raw material and other stocks lying at port pending clearance at cost inclusive of custom duty actually paid. The custom duty payable on material lying into bond is accounted on clearance for home consumption.

v) **Retirement Benefits :**

Gratuity and earned leave encashment has been provided for in the books of accounts on actuarial valuation basis as at the end of the year.

vi) **Interest :**

Interest in respect of fixed deposits lying with banks has been accounted for on accrual basis.

vii) **Cenvat & Excise Duty**

Purchases, Sales and Stocks are shown net of cenvat credit available. Balance in the cenvat account is shown as current assets and excise duty expenditure is booked on gross basis. Provision made for excise duty liability on stock of finished goods lying at the year end is booked in excise duty expenditure account and liability for the same is shown as provisions under schedule of current liabilities.

viii) **Recognition of Income/Expenditure :**

All revenues and expenses are accounted for on accrual basis except for medical reimbursement payable, claims receivable and export incentives which are accounted for on cash basis, unless otherwise explained hereafter. All expenses are shown as net of Input Tax credit as Service Tax credit is adjustable against excise duty under cenvat credit Rules.

ix) **Foreign Exchange Fluctuations :**

- a) Foreign currency assets / liabilities not covered by forward contracts are restated at the rates prevailing at the end of the year.
- b) Any income or expense on account of exchange difference is recognised in the Profit and Loss Account as per the requirement of **AS-11**

2. Contingent Liabilities, alongwith there nature and description in brief as required under **AS-29**, not provided for in the books of accounts, are as under :

## INDIAN ACRYLICS LIMITED

	As at 31.03.2014 (₹.in Lacs)	As at 31.03.2013 (₹.in Lacs)
a) Letters of Credit outstanding for Import of Raw materials / Spares	122.90	Nil
b) Claims against the company / disputed liabilities not acknowledged as debts:		
i. In respect of Sales Tax Surcharge on exempted sales	78.68	78.68
ii. In respect of Excise Duty demand on account of valuations & cenvat credit disputes.	429.63	437.38
iii. In respect of custom duty on account of cancellation of DEPB scrips validly purchased by us from the market, duty demand on goods lost in high seas.	47.15	47.15
iv. Others *	614.00	557.00

\* There was an Arbitration award dated 16.03.2002 of US\$ 10.22 Lacs, approx ₹.613 lacs, (Previous Year ₹.557 lacs) and interest against the company awarded by Arbitration Panel in the favour of E.I. Dupont (USA). This arbitration award has been dismissed during the year by the Hon'ble High Court. E.I. Dupont (USA) has filed an appeal against this decision. The case has not yet reached its finality and the matter is now Sub-Judice. In the opinion of the management and as per the legal advice received by the company, no liability against the company has yet arisen. Accordingly, the awarded amount is not considered as a liability. As such, no provision for the same has been made in the books.

c) Estimated amount of contracts remaining to be executed on capital account and not provided for in the Books of Accounts (Net of Advance).	₹.1,782.09 lacs	₹.1,598.74 lacs
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3. a) Previous year figures have been regrouped and rearranged, wherever considered necessary, to make them comparable with those of current year  
b) Figures have been rounded off to the nearest rupee in lacs.
4. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business, unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
5. Note No. 1 to 22 form an integral part of the accounts of the Company.
6. No provision for income tax or MAT has been made in the books of accounts as there are no taxable profits for the year under consideration, under the provisions of the Income Tax Act.
7. The debit and credit balances in the accounts of a few suppliers, customers and others are subject to confirmation and reconciliation.
8. The company is mainly in one business segment viz Manufacture and Sale / Trading of Acrylic Fibre / Yarn and operates from one geographical segment only There is no other reportable segment in accordance with **Accounting Standard (AS-17)** dealing with the segment reporting.
9. The Net Deferred Tax asset of ₹.1976.12 lacs as at 31.03.2014 (including ₹. 2241.65 lacs upto 31.03.2013) has not been recognized in view of uncertainty of its realisation, as recommended under **Accounting Standard AS-22** on "Deferred Taxation. The details of deferred tax assets are as under:-

	As at 01.04.2013	For the year 2013-2014	(₹. in lacs) As at 31.03.2014
<b>Deferred Tax Assets being tax impact thereon</b>			
(i) Tax on unabsorbed losses and / or depreciation carried forward as per Income tax laws.	3,345.31	(298.79)	3,046.52
(ii) Tax on expenses charged in the books, but allowance deferred under Income tax laws	32.55	29.30	61.85
Total :	3,377.86	(269.50)	3,108.36
<b>Deferred Tax Liabilities being tax impact thereon</b>			
(i) Tax on difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts.	1,136.21	(3.97)	1,132.24
(ii) Others	-	-	-
Net Deferred Tax Asset	2,241.65	(265.53)	1,976.12

## 10. EARNING PER SHARE (EPS) Basic/Diluted Earning Per Share

		Current Year (₹.in lacs)	Previous Year (₹.in lacs)
Profit / (Loss) after tax as per profit & loss account		1,132.02	416.85
Less : Dividend and tax thereon in respect of preference shares		-	-
Profit available for the shareholders	(A)	1,132.02	416.85
No. of equity shares	(B)	13,53,22,162	13,53,22,162
Earning / (Loss) per share (₹.) (basic & Diluted)	(A/B)	0.84	0.31
Nominal value per equity share		₹.10.00	₹.10.00

### Computation of weighted average number of equity shares outstanding during the period.

	Current Year (No)	Previous Year (No)
No. of equity shares at the beginning of the year	13,53,22,162	13,53,22,162
Total number of equity shares outstanding as at the end of the year.	13,53,22,162	13,53,22,162
Weighted average number of equity shares outstanding during the period.	13,53,22,162	13,53,22,162

11. As per restructuring package approved under the corporate debt restructuring (CDR) system in Jan'03, NPV of interest losses shall be converted to Zero Rate Interest Loan to be recovered after 2014-15 after a review to be made after 10 years. No provision for the same has been made in the books of accounts, as the amount is unascertainable at this stage.
12. Managerial remuneration does not include contribution to Gratuity provision as separate figures are not available. Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per provisions of schedule XIII of the Companies Act, 1956

### 13. Related party disclosures:

Detail of transaction entered into with related parties during the year as required by **Accounting Standard-18** on "Related party disclosures" issued by the Institute of Chartered Accountants of India are as under:-

Particulars	Associates Company	Key Management Personnel (KMP)	Enterprises over which KMP is able to exercise significant influence	Total for Current Year	Total for Previous Year
Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL
Purchase of goods (net)	NIL	NIL	NIL	NIL	NIL
Recoverable at end of the year	₹.2.43	NIL	NIL	₹.2.43	₹.2.31
Services availed	NIL	NIL	₹.6.90	₹.6.90	₹.10.56
Civil Construction & Maintenance	NIL	NIL	NIL	NIL	NIL
Lease Rent paid	NIL	NIL	₹.3.48	₹.3.48	₹.10.68
Management Contracts (Salaries)	NIL	₹.88.70	NIL	₹.88.70	₹.68.35
Remuneration paid to relatives of KMP during the year.				₹.2.50	₹.2.25

Amounts written off or written back in the period in respect of debts due from or to related parties.

#### Note:

- Associate Company : Indlon Chemicals Ltd
- Key Management Personnel : **Mr.R.K.Garg** Managing Director **Mr.H.K.Singhal** Finance Director **Mr.Dheeraj Garg** Addl.Managing Director  
(Whole time Directors)
- Enterprises over which Key Management personnel (KMP) are able to exercise significant control and with whom transactions have taken place during the year:
  - 1) SAB Industries Ltd.
  - 2) Steel Strips Ltd.
  - 3) Malwa Chemtex Udyog Ltd.
  - 4) Steel Strips Wheels Ltd
  - 5) Steel Strips Infrastructures Ltd.
- Relatives of the Key Management Personnel (with whom transactions have taken place):- Mr. Suresh

## INDIAN ACRYLICS LIMITED

Aggarwal is related to Mr. H.K. Singhal (brother of Mr. H. K. Singhal) and employed with the company. Mr.Dheeraj Garg (son of Sh.R.K.Garg, Managing Director) is Additional Managing Director on Board.

### 14. Detail of Provisions as per AS-29

	Employee Benefits (Gratuity Earned Leave)	Excise duty on Finished Goods lying in stocks	Doubtful Debts.	Others
Balance at April 1,2013	179.65	98.91	8.93	72.58
Provision made during the year	77.84	120.07	-	55.87
Provision written off/ back during the period	-	98.91	-	33.52
Balance at March 31,2014	<b>257.49</b>	<b>120.07</b>	<b>8.93</b>	<b>94.93</b>

\* Note: Past liability funded with L.I.C.

15. The company has taken the Group Gratuity and Group Leave encashment policies from LIC and entire premiums demanded by them for the year 2013-14 have been paid / provided for as per the requirements of revised **AS-15**.

### 16. Leases:

The company has leased facilities under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognized during the year amounts to ₹.120.19 lacs (previous year ₹.35.28 lacs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31<sup>st</sup> March 2014 are:

S.No. Particulars	As at 31.03.14	As at 31.03.13
a) not later than one year	<b>77.21</b>	22.43
b) later than one year but not later than five year	<b>42.98</b>	12.85
c) later than five year	-	-

(₹.in lacs)

17. Following the order of Hon`ble High Court dated 30.08.2012, company has filed a Execution Petition before the court on 14.01.2013 praying therein for attachment of bank account and other assets of M/s E.I.Dupont of USA to realize its claim of US\$ 5 lacs plus interest thereon amounting to US\$ 9.75 lacs from the date of award (16.03.2002) till the date of petition (14.01.2013). The total amount of company claim as already decreed by the court under the arbitration and Conciliation Act 1996 comes to ₹.814.49 lacs and same has been treated as Income in the year 2012-13. The management of the company is confident of recovery of these claims.

### 18. ADDITIONAL INFORMATION PERSUANT TO PROVISIONS OF PARAGRAPHS 3,4C AND 4D OF PART II,SCHEDULE VI,OF COMPANIES ACT,1956.

A) Quantitative Data	Item manufactured	2013-2014 Qty.(MT)	2012-2013 Qty.(MT)
1) Licenced/Registered Capacity	Acrylic Fibre & Waste	<b>Delicenced</b>	Delicenced
2) Installed Capacity #	Acrylic Fibre & Waste	<b>42,000</b>	42,000
3) Production	Acrylic Fibre	<b>35,969</b>	20,535
	Acrylic Fibre Waste	<b>152</b>	148

# AS certified by the Management and relied on by the Auditors being a technical matter.

4) Raw Material consumed	CURRENT YEAR		PREVIOUS YEAR	
	Qty.(MT)	Value (₹.in Lacs)	Qty.(MT)	Value (₹.in Lacs)
i) Acrylonitrile	<b>33,351</b>	<b>37,638.47</b>	19,189	19,534.39
ii) Dimethyl Formamide	<b>1,251</b>	<b>924.26</b>	698	448.05
iii) Methyl Acrylate	<b>81</b>	<b>72.56</b>	52	80.34
iv) V.A.M	<b>2,356</b>	<b>1,479.36</b>	1,366	804.79
iv) Others	-	<b>2,347.07</b>	-	1,301.62

**5) Stock & Sales of goods produced**

i) Opening Stock				
Acrylic Fibre	<b>512</b>	<b>892.52</b>	1,716	2,725.71
Acrylic Fibre Waste	<b>10</b>	<b>6.60</b>	8	4.39
ii) Closing Stock				
Acrylic Fibre	<b>557</b>	<b>1,084.89</b>	512	892.52
Acrylic Fibre Waste	<b>10</b>	<b>6.66</b>	10	6.60
iii) Sales				
Acrylic Fibre	<b>35,924</b>	<b>61,653.89</b>	21,739	36,023.50
Acrylic Fibre Waste	<b>152</b>	<b>117.71</b>	146	131.12

**6) Purchase, Sale and stocks of goods traded in (Acrylic Yarn / Fibre)**

i) Opening Stock	<b>737</b>	<b>1,468.19</b>	1,380	2,702.90
ii) Purchase	<b>3200</b>	<b>6,775.72</b>	2,412	4,473.73
iii) Sale	<b>2,774</b>	<b>5,973.29</b>	3,055	6,033.94
iv) Captive	-	-	-	-
v) Closing Stock	<b>1163</b>	<b>2,473.43</b>	737	1,468.19

**B) CIF Value of imported goods**

a) Raw Material	<b>24,006.86</b>			11,609.61
b) Components & Spare parts	<b>404.29</b>			161.72

**C) Consumption of Raw-Materials & Stores and spares**

i) Raw Material	<b>%age</b>	<b>(₹. in Lacs)</b>	<b>%AGE</b>	<b>(₹.in Lacs)</b>
a) Indigenous	<b>26.05</b>	<b>11,060.50</b>	38.05	8,435.15
b) Imported	<b>73.95</b>	<b>31,401.22</b>	61.95	13,734.05
ii) Store and Spares				
a) Indigenous	<b>74.67</b>	<b>746.10</b>	51.51	288.90
b) Imported	<b>25.33</b>	<b>253.11</b>	48.49	271.97

**D) Expenditure in Foreign Currency**

	<b>Current Year</b>	<b>Previous Year</b>
a) Directors Travelling	<b>53.34</b>	9.51
b) Staff Travelling	<b>21.43</b>	16.09

**E) Earnings in Foreign Exchange**

<b>18,222.00</b>	5,491.45
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**F) - F.O.B Value of Export**

<b>18,222.00</b>	5,491.45
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**G) Expenditure on Employees**

i) Employees drawing remuneration of not less than ₹.60,00,000/- per annum (previous year ₹.60,00,000/-) and employed throughout the year :		
- No. of Employees	<b>1</b>	Nil
- Salaries and Allowances (₹. in Lacs)	<b>69.86</b>	Nil
- Contribution to Provident & Other Fund (₹. in Lacs)	<b>2.88</b>	Nil
ii) Employees drawing remuneration not less than ₹.5,00,000/-per month (Previous year ₹.5,00,000/-)and employed for a part of the year.	<b>None</b>	None

**AUDITORS' REPORT**

Certified In terms of our separate report of even date annexed.

For S. C. Dewan & Co.  
Chartered Accountants  
(Regn. No. 000934N)

**S.C. DEWAN**

Partner  
(M.No. 015678)

**ASHOK KUMAR GUPTA**

**B.B. TANDON**

**A.S.CHATHA**

**M.M. CHOPRA**

Directors

**B.K. GUPTA**

Company Secretary

Place : CHANDIGARH

Dated : 30.05.2014

**FORM OF PROXY**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**INDIAN ACRYLICS LIMITED**

**CIN:L24301PB1986PLC006715**

REGD. OFFICE: VILLAGE HARKISHANPURA, TEHSIL BHAWANIGARH, DISTT. SANGRUR (PB) 148026.

TEL. NO. +91-0172-2790979, 2792385, 2793112,

**Email: shares@indianacrylics.com, Website: www.indianacrylics.com**

NAME OF THE MEMBER(S)	
REGISTERED ADDRESS	
EMAIL ID	
FOLIO NO./ CLIENT ID	
DP ID	
NO. OF SHARES HELD	

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

1.	Name:		
	Address:	Signature	
	E-mail Id:		
Or failing him/her			
2.	Name:		
	Address:	Signature	
	E-mail Id:		
Or failing him/her			
3.	Name:		
	Address:	Signature	
	E-mail Id:		

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the Annual General meeting of the Company, to be held on Monday, the 29th day of September 2014, at 11.00 a.m., at Village Harkishanpura, Tehsil Bhawanigarh, Distt. Sangrur (PB) and at any adjournment thereof in respect of such resolutions as are indicated below:

**Sr. No. Resolution**

**Ordinary Business**

- Adoption of audited financial statements for the year ended March 31, 2014
- Re-appointment of Sh. Ajay Kumar Mahajan as a Director
- Appointment of Auditors

**Special Business**

- Appointment of Sh. M M Chopra, as Independent Director
- Appointment of Sh. B B Tandon, as independent Director
- Appointment of Sh. A S Chatha, as Independent Director
- To authorize Board to borrow pursuant to section 180(1)(c)
- To authorize Board to create mortgage pursuant to section 180(1)(a)
- Approval of payment of remuneration to the Cost Auditors
- Revision and reappointment of Sh. R K Garg, Managing Director

Affix Revenue Stamp
---------------------------

Signed this ..... day of September 2014.

Signature of shareholder..... Signature of Proxy holder(s) .....

**Note: 1. 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.**

**INDIAN ACRYLICS LIMITED**

**CIN:L24301PB1986PLC006715**

REGD. OFFICE: VILLAGE HARKISHANPURA, TEHSIL BHAWANIGARH, DISTT. SANGRUR (PB) 148026.

TEL. NO. +91-0172-2790979, 2792385, 2793112,

**Email: shares@indianacrylics.com, Website: www.indianacrylics.com**

**ATTENDANCE SLIP**

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
FOLIO NO.	
DP ID NO.	
CLIENT ID NO.	
NO OF SHARES HELD	
NAME OF PROXY (IN BLOCK LETTERS)	

I, hereby record my presence at the 27th Annual General Meeting of the Company held on Monday, the 29th day of September 2014, 11.00 a.m., at Village Harkishanpura, Tehsil Bhawanigarh, Distt. Sangrur (PB)

Member's/ Proxy's Signatures



**Regd. Post/ Courier**  
(Printed Material)



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CIN:L24301PB1986PLC006715  
S.C.O. 49-50, Sector 26,  
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