



STEEL STRIPS GROUP

IAL/CS/AGM/2017/4257

October 05, 2017

## INDIAN ACRYLICS LIMITED

CIN: L24301PB1986PLC006715

Head Office : ISO 9001-2008 Certified

SCO 49-50-51, Sector-26,

Madhya Marg, Chandigarh-160 019 (INDIA)

Tel. : +91-172-2792385 / 2793112

Fax : +91-172-2794834 / 2790887

Website : www.indianacrylics.com

The Dy. Manager  
Deptt. Of Corporate Services  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

### Scrip Code: 514165

Reg : ANNUAL REPORT 2016-17

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report for the financial year 2016-17, duly approved and adopted in the 30<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September 2017 at its Regd. Office.

Kindly take the same on your records.

Thanking you,  
Yours faithfully,  
for INDIAN ACRYLICS LIMITED

(BHAVNESH K GUPTA)  
COMPANY SECRETARY  
FCS-3255

Encl.: As above

Works & Regd. Office : Village Harkishanpura, Patiala - Sangrur Highway, Distt. Sangrur - 148 026 (Pb.)  
Tel. : +91 (1672) 278106, 278104, Fax : +91 (1672) 278110

Delhi Office : S-2, Second Floor, Vasant Square Mall, Community Center, Pocket V, Plot No. A, Sector B, Vasant Kunj, New Delhi-110 070, Phone-011-40000378, 377,376



**30TH  
ANNUAL REPORT  
2016-17**



**INDIAN ACRYLICS LIMITED**



**COMPANY CIN: L24301PB1986PLC006715**

**BOARD OF DIRECTORS**

Smt. Indu Malhotra, IAS

Sh. R.K. Garg

Sh. Dheeraj Garg

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

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

Prof. (Dr.) B.B. Tandon

Smt. Tejinder Kaur

Sh. Sanjeev Kumar Bajaj

Sh. S.K. Singla

Sh. H.K. Singhal

Chairperson

Managing Director

Additional Managing Director

Director

Director

Director

Director

Nominee PNB

Nominee PSIDC

Finance Director

**COMPANY SECRETARY**

Sh. Bhavnesh K. Gupta

**BANKERS**

Punjab National Bank

State Bank of India

Indian Overseas Bank

HDFC Bank Limited

**AUDITORS**

S.C. Dewan & Co.

Chartered Accountants,

SCO 90, 1st Floor, 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 30<sup>th</sup> Annual General Meeting of the Shareholders of the Company shall be held as scheduled below:

**Day & Date** : **Friday, 29<sup>th</sup> day of September, 2017**  
**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 Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended March 31, 2017 and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Dheeraj Garg (**DIN: 00034926**), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors of the Company and to fix their remuneration, 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 139,142 and other applicable provisions, if any, of the Companies Act, 2013("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s AKR and Associates, Chartered Accountants (Firm's Registration No. 021179N), be and are hereby appointed as Auditors of the Company in place of the retiring auditors M/s S.C. Dewan and Company, Chartered Accountants (FRN:000934N), to hold office for a period of five consecutive years, from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the thirty-fifth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, 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 Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 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 per year 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 in respect of the Company's Unit located at Village Harkishanpura, Tehsil Bhawanigarh, Distt. Sangrur, Punjab for the Financial Year ended 31<sup>st</sup> March 2018.  
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."
5. To consider and, if thought it, to pass with or without modification(s), the following resolution as a 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 SEBI (LODR) Regulations, 2015, **Raja Shivdev Inder Singh (DIN:07859271)**, Director has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company with effect from 01.07.2017 to 30.06.2022, not liable to retire by rotation."

By Order of the Board of Directors

**BHAVNESH K. GUPTA**  
G.M. CUM COMPANY SECRETARY  
FCS-3255

Place: Harkishanpura  
Date: 14.08.2017

## 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 **23.09.2017 to 29.09.2017** (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 2016-17 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 2016-17 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 2016-17 will also be available on the Company's website 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).
  - B. Central Depository Services (India) Limited [CDSL] has launched '**m-Voting**', a mobile app for e-Voting which enables smart phone users to cast their vote on company resolutions by using their mobile phones. **M-Voting** can also be used for voting at the AGM/EGM venue. The **m-Voting** app can be downloaded from Google Play Store for Android based phones, while the app for iPhone and Windows Phone can be downloaded from the IOS App Store and Windows Phone Store, respectively.

### The instructions for shareholders voting electronically are as under:

- (i) **The voting period begins on September 26, 2017 at 9.00 a.m. and will end on September 28, 2017 at 5.00 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> September, 2017 (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) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on shareholders

## INDIAN ACRYLICS LIMITED

- (v) 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
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>· Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is printed on attendance slip in the PAN field.</li> <li>· In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>· If both the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name < INDIAN ACRYLICS LIMITED > on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) 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 Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote 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. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September 2017 may follow the same instructions as mentioned above for e-Voting. 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).
- (xx) The Board of Directors has appointed Mr. S.K.Sikka, Practicing Company Secretary (ICSI Membership No. FCS- 4241 and CP No.3582) to scrutinize the e-voting process in a fair and transparent manner.

- (xxi) The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxii) 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 including register of shareholding of Directors and Key Managerial Personnel 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. 3**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s S. C. Dewan and Company, Chartered Accountants (FRN:000934N) were appointed as the Auditors of the Company at the twenty seventh Annual General Meeting (AGM) of the Company held on September 29, 2014 for a term of three years to hold office till the conclusion of this AGM.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, M/s S. C. Dewan and Company, Chartered Accountants can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term as per the provisions of Section 139 of the Act.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on May 30, 2017, proposed the appointment of M/s AKR and Associates, Chartered Accountants (FRN: 021179N) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the thirty fifth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act).

M/s AKR and Associates have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the ordinary resolution mentioned at Item No. 3 of the accompanying Notice for approval of the members.

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

##### **ITEM NO. 4**

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/- (Rupees fifty thousand only) plus Service Tax and out of pocket expenses per year to the Cost Auditors as approved by the Board of Directors in their meeting held on 30.05.2017 for the financial year 2017-18.

The Board recommends the ordinary resolution mentioned at Item No. 4 of the accompanying Notice for approval of the members.

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

##### **ITEM NO. 5**

The Board of Directors of the Company had appointed Raja Shivdev Inder Singh as Additional Director of the Company in place of Shri B B Tandon w.e.f. 01/07/2017. In accordance with the provisions of Section 161 of the Companies Act, 2013, Raja Shivdev Inder Singh shall hold office upto the date of forthcoming Annual General Meeting of the Company and is eligible to be appointed as an Independent Director for a term upto five years. The Company has received notice under Section 160 of the Companies Act, 2013 from the member signifying her candidature as an Independent Director of the Company.

The Board of Directors has recommended the appointment of Raja Shivdev Inder Singh as Independent Director with effect from 01.07.2017 to 30.06.2022.

The Company has received a declaration from Raja Shivdev Inder Singh that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Raja Shivdev Inder Singh fulfills the conditions specified in the Act and Rules framed thereunder and SEBI (LODR) Regulations, 2015 for appointment as independent Director and he is independent of the Management. Raja Shivdev Inder Singh is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and he has given her consent to act as Director.

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

Raja Shivdev Inder Singh, Retired, belongs to royal family of Patiala. He has done MBA from University of California at Fresno and has varied experience in Management and Consultancy work. He possesses appropriate skills, experience and knowledge in management and other disciplines. He is also qualified to be appointed as an Independent Director under the provisions of the Companies Act, 2013.

The Board recommends the ordinary resolution mentioned at Item No. 5 of the accompanying Notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives except Raja Shivdev Inder Singh are concerned or interested (financially or otherwise), in this resolution.

# INDIAN ACRYLICS LIMITED

## DIRECTORS' REPORT

To The Members,

The Directors of your Company have pleasure in presenting the 30<sup>th</sup> Annual Report of the Company together with Audited Accounts for the financial year ending 31<sup>st</sup> March, 2017.

### 1. FINANCIAL HIGHLIGHTS

	Consolidated		(INR Lakh) Standalone	
	2016-17	2015-16	2016-17	2015-16
Domestic Sales (Net of Excise)	30471	32026	30471	32026
Export Sales	17142	21993	17167	21993
Total Sales	47613	54019	47638	54019
Other operating Income	451	395	451	395
Total Income	48064	54414	48090	54414
Profit before interest & depreciation	5039	4837	5040	4837
Interest & other financial charges	1561	1759	1561	1759
Profit/ (Loss) before depreciation	3478	3078	3479	3078
Depreciation	1265	1015	1265	1015
Net Profit/(Loss) prior to Tax & Extra Ordinary Items	2213	2063	2214	2063
Prior period adjustment	-	-	-	-
Extra Ordinary Item (16)		(1)	(16)	(1)
Net Profit/ (Loss) available for appropriation	2197	2062	2198	2062

#### Production & Sales Review:

The Company had achieved production of 39439 MT (Acrylic Fibre-33840 MT, Yarn-5599 MT) and sale of 33542 MT (Acrylic Fibre -27028 MT, Yarn- 6514MT) during the year under review as against 40805 MT (Acrylic Fibre-39216 MT, Yarn-1589 MT) and 40598 MT (Acrylic Fibre-38063 MT, Yarn-2535 MT) respectively during the previous year. The Sale and other incomes during the year were ₹48090 lakhs as against ₹54414 lakhs.

#### Profitability:

The Company earned profit before depreciation, interest and tax of ₹ 5040 lakhs as against ₹4837 lakhs in the previous year. After providing for depreciation of ₹1265 lakhs (Previous Year ₹1015 lakhs), interest of ₹1561 lakhs (Previous Year ₹1759 lakhs), the net profit from operations works out to ₹ 2198 lakhs as compared to net profit of ₹ 2062 lakhs in the previous year.

#### Segment-wise/Product wise Performance:

Over the last few years, your company has been successful in its goal of diversifying revenues, to tap new opportunities and reduce any risks of an overly concentrated portfolio. Company is manufacturing both acrylic fiber and yarn. During 2016-17, sale revenue from yarn segment is more than 10% of the total revenue of the company and yarn

segment assets are also more than 10% of the total assets of the company. The said treatment is enunciated in the accounting standard on segment reporting (AS- 17) and is explained under Para no. 7 of the Note No.23 on Notes on Accounts, forming part of Annual Report.

#### 2. DIVIDEND

As Company does not have any distributable profits computed under provisions of Companies Act, 2013, no dividend is being recommended.

#### 3. RESERVES

There is no change in Capital Reserves, Securities Premium Reserves and General Reserves during the year, which stands at ₹1764.44 lakhs, ₹39.23 lakhs and ₹80.00 lakhs respectively.

#### 4. 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, the Company has focused on new varieties on dyed yarns. This will help in growth of sales in the current year. The Company is also working for energy conservation and reduction in the fuel cost with the help of in-house R&D.

#### 5. DETAILS OF SUBSIDIARY, JOINT VENTURES OR ASSOCIATE COMPANY

The Company made an investment of Euro Three Thousand only in 3000 shares of face value of Euro 1 each, in Wholly Owned Subsidiary Company, Carlit Trading Europe, S.L.U (Spain), on 25<sup>th</sup> November 2016.

A separate statement containing the salient features of financial statements of the subsidiary Company forms part of the Annual report in the prescribed Form AOC-1 as **Annexure-7** in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. Further in line with the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and in accordance with Accounting Standard 21, Consolidated Financial Statements, including financial information of its Subsidiary, forms part of this Annual Report.

The Company is not having any Joint Venture or Associate Company.

#### 6. CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

##### Vision & core areas of CSR:

Your Company is committed to and is fully aware of its Corporate Social Responsibility (CSR), the guidelines in respect of which were more clearly laid down in the recently overhauled Companies Act, 2013.

Corporate Social Responsibility and Governance Committee (CSR&G Committee) comprises of Shri Rajinder Kumar Garg, as its Chairman, Shri Dheeraj Garg and Shri A S Chatha as members. This Committee has framed the CSR Policy for the Company which is approved by the Board and may be accessed on the website of the Company at <http://www.indianacrylics.com> Since the Company does not have net profits in accordance with Section 198 of the Companies Act, 2013, the Company is not required to undertake any activity under CSR Rules.

#### 7. CORPORATE GOVERNANCE

Your 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 Stakeholder Relationship Committee and Nomination and 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. A certificate from the Statutory Auditors of the Company regarding compliance of governance norms, stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is also annexed to the Corporate Governance report. **Annexure-6**

#### 8. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return as provided under Section 92(3) of the Act, in Form MGT-9, forms part of the Board's report as **Annexure-4**.

#### 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the year ending 31<sup>st</sup> March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had 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 and loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis; and
- e. the Directors had laid down internal financial control to be followed by the Company and that such internal financial controls were adequate and were operating effectively.
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 10. DIRECTORS

##### A) Changes in Directors and Key Managerial Personnel

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

PNB nominated Shri Sanjeev Kumar Bajaj, as a Director of the Company, in place of Shri Satish Kumar Dua effective from 30/05/2017.

Smt. Indu Malhotra, IAS was appointed as Director on 27/05/2016 and vacated the office of Director w.e.f. 30/05/2017 pursuant to Section 167(b) of the Companies Act, 2013.

Your Directors place on record appreciation of the valuable guidance rendered by Shri Satish Kumar Dua and Smt. Indu Malhotra during their association with the Company.

As per the provisions of Companies Act, 2013, Shri Dheeraj Garg (DIN-00034926), Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

##### Familiarisation programmes for Board Members:

The Board members are from time to time provided with necessary documents/policies/internal procedures to get them familiar with the practices of the Company. Directors get an opportunity to visit Company's plant which helps them to understand business operations & working of the Company. The business strategies, performance, global developments, legal & other updates, compliance reports and other relevant information/reports etc are being periodically provided to the Board of Directors.

##### B) Declaration by an Independent Director(s) and re-appointment, if any

A declaration by Independent Directors stating that he/they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been taken at the time of their appointment.

##### C) Formal Annual Evaluation of Board

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Regulation 4(f)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issue to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### 11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 4 Board Meetings were held, one each on 27<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 12<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017.

## 12. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the Directors' Report.

## 13. EMPLOYEE STOCK OPTION SCHEME

Your Company had introduced Employee Stock Option Scheme framed in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, titled "Indian Acrylics Limited -Employees Stock Option Scheme, 2016 ("IAL-ESOS 2016") during the financial year 2015-16, which was approved by the Board of Directors of the Company and subsequently by the shareholders of the Company in their Annual General Meeting held on 29<sup>th</sup> September, 2016.

No options under the said scheme have been granted to the employees of the Company during the year under review.

## 14. AUDIT COMMITTEE

The Audit & Compliance Committee comprises of three non-executive Directors viz. Rear Admiral M. M. Chopra, AVSM (Retd.), Prof.(Dr.) B B Tandon, Smt. Tejinder Kaur and one Executive Director Shri H K Singhal. During the year, the committee held four meetings. Other details of the Audit Committee are included in the Corporate Governance Report which forms part of this report.

The Board had accepted all recommendation of the Audit Committee.

## 15. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

Pursuant to provisions of Section 177 (9) of the Companies Act, 2013, the Company has established a "Vigil Mechanism" incorporating Whistle Blower policy in terms of Regulation 22 of SEBI (LODR) Regulations, 2015 for employees and directors of the Company, for expressing the genuine concerns of unethical behaviour, frauds or violation of the codes of conduct by way of direct access to the Chairman/Chairman of the Audit Committee. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The policy on "Vigil Mechanism and Whistle Blower" may be accessed on the Company's website at <http://www.indianacrylics.com>

There are no cases reported during the year.

## 16. NOMINATION AND REMUNERATION COMMITTEE

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.

## 17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

There were no Loans/ Guarantee given or Investments made by the Company during the year exceeding the limits prescribed under Section 186 of the Companies Act, 2013.

## 18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts/ arrangements/ transactions entered by the Company during the Financial Year with related parties were in the ordinary course of business and on an arm's length basis, during the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. A statement, in summary form, of transactions with related parties in ordinary course of business and arm's length basis is periodically placed before the audit committee for review.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the board is uploaded on the website of the Company.

Disclosures as required under accounting standards (AS-18) have been made in the financial statements of the Company, enclosed with this report.

## 19. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of the Board's report as **Annexure-5**.

## 20. BUSINESS RISK MANAGEMENT

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Risk Management Committee constituted by the Board comprises of Shri R K Garg, Shri Dheeraj Garg and Shri Surinder Kansal as members. The Committee has formulated the Risk Management Policy which was subsequently approved by the Board of Directors. The Risk Management Policy may be accessed on the website of the Company at <http://www.indianacrylics.com>

## 21. AUDITORS:

### a. Statutory Auditors:

M/s S.C. Dewan & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held in the calendar year 2017 (subject to ratification of their appointment at every AGM).

Pursuant to provisions of Section 139 of the Companies Act, 2013, M/s S.C. Dewan & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting of the Company.

Board in their meeting held on 30.05.2017 proposed the appointment of M/s AKR & Associates, Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of forthcoming Annual General Meeting till the conclusion of Annual General Meeting to be held in the calendar year 2022 subject to the approval of members.

### b. Secretarial Auditor:

M/s S.K. Sikka & Associates, practicing Company Secretaries, Chandigarh, was appointed as Secretarial Auditor & his report in Form No. MR 3 under Section 204 of the Companies Act for the Financial Year 2016-17 is attached & forms part of this Report as **Annexure 2**.

**c. Cost Auditor:**

As per provisions of Section 148 of the Companies Act, 2013 the Board of Directors of your Company has recommended M/s Aggarwal Vimal & Associates, Cost Auditor, to be re-appointed as a Cost Auditor for the Financial Year 2016-17, subject to ratification of his appointment and remuneration by the Shareholders in the forthcoming Annual General Meeting.

**d. Internal Auditor:**

Pursuant to provisions of Section 138 of the Companies Act, 2013, the Company has appointed Mr. Manoj Kumar (ICWA), to conduct internal audit of the functions and activities of the Company and maintain internal control systems of the Company.

**22. AUDITORS' REPORT**

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

**23. LISTING OF SHARES**

Equity shares of the Company are listed on BSE Limited and Listing fee has already been paid in pursuance to Regulation 14 of SEBI (LODR) Regulations, 2015.

**24. DEMATERIALIZATION**

Effective from 25<sup>th</sup> September 2000, the equity shares of your Company are being compulsorily traded in dematerialized form. As on 31<sup>st</sup> March 2017, a total of 1257 Lakhs equity shares, representing 92.86% of equity share capital, have been dematerialized and 29084 shareholders are holding shares in dematerialized form.

**25. INSURANCE**

All the assets of the Company have been adequately insured.

**26. PARTICULARS OF EMPLOYEES**

Relations with the employees continued to be peaceful and harmonious during the period under review.

**27. PERSONNEL & RELATED DISCLOSURES**

Your Company continues to lay emphasis on continued qualitative growth of its human resources by providing a congenial and conducive work environment in consonance with its belief that the real strength of its organization lies in its employees. The particulars required under Section 197 read with Rule 5 (1), 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including statement of employees receiving salary of ₹ 102 lakh. per annum or ₹ 8.50 lakh per month or more during the Financial Year 2016-17, are annexed hereto and forms part of this report as **Annexure 3**.

**28. INDUSTRIAL RELATIONS**

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

**29. HEALTH, SAFETY AND ENVIRONMENT PROTECTION**

Our Company has complied with all the applicable health & Safety standards, environment laws and labour laws and has been taking all necessary measures to protect the environment and provide workers a safe work environment. Our Company is committed for continual improvement in Health & Safety as well as Environmental performance by involving all the employees to provide a Safe & healthy work environment to all its employees.

**30. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2015-16, the Company has not received any complaint on sexual harassment and hence no complaints remain pending as of 31<sup>st</sup> March, 2017.

**31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The optimal utilization of energy remained a major focus area and a number of steps were taken in this direction. The information required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are attached hereto and forms part of this report as **Annexure 1**.

**32. GENERAL DISCLOSURE:**

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

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

**33. ACKNOWLEDGEMENT**

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

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

On Behalf of the Board of Directors

<b>H. K. SINGHAL</b>	<b>R. K. GARG</b>
FINANCE	MANAGING
DIRECTOR	DIRECTOR

Place: Chandigarh  
Dated: 30th May, 2017

# INDIAN ACRYLICS LIMITED

## ANNEXURE-1

**INFORMATION AS PER SECTION 134(3)(m) 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, 2017**

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.

### FORM 'A'

	Current Year	Previous Year
<b>A) POWER &amp; FUEL CONSUMPTION</b>		
1. a) Purchased Units (in Lakhs)	208.01	214.31
Total amount (₹. in Lakhs)	1461.23	1600.51
Rate/Unit (Rupees)	7.02	7.47
b) <b>OWN GENERATION</b>		
i) Through Turbine (Unit in Lakhs)	528.38	416.62
Total amount (₹. in Lakhs)	1649	1503.94
Rate/Unit (Rupees)	3.12	3.61
ii) <b>THROUGH DIESEL GENERATOR (UNIT IN Lakhs)</b>	3.87	1.51
Total amount (₹. in Lakhs)	65.50	30.52
Rate/Unit (Rupees)	16.94	20.17
2) <b>PET COKE USED FOR STEAM</b>		
Quantity (Lakhs Mts)	382.05	7836.77
Total amount (₹. in Lakhs)	21.03	585.44
Rate/Unit (Rupees)	5.51	7.47
3) <b>RICE HUSK FOR STEAM GENERATION</b>		
Quantity (Mts))	66586	53786
Total amount (₹. in Lakhs)	2003.57	1950.8
Rate/Unit (Rupees)	3.01	3.63
<b>B) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production of Acrylic Fibre & Waste (MT)	33840	39216
Production of Acrylic Yarn (MT)	5594	1589
1.) Electricity-Fibre (Units/MT)	1660	1458
Electricity-Yarn (Units/MT)	3189	3817
Cost per unit of production of Fibre (₹/Mts)	7121	7226
Cost per unit of production of Yarn (₹/Mts)	13680	18921
2) Furnace Oil (KL/MT)		
Rice Husk for process steam (Unit/MT)	1968	1372
Cost per unit of production of Fibre (₹/Mts)	5921	4975
Pet Coke for process steam (Unit/MT)	11	200
Cost per unit of production of Fibre (₹/Mts)	62	1493

### B. 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 Lakhs): (Capital / Recurring) Capital :- ₹. NIL (Previous year ₹. NIL Lakhs)  
Revenue :- ₹. 71.47 Lakhs (Previous year ₹.53.20 Lakhs.)

2. Technology absorption, adoption and innovation
- a) Efforts in brief made towards technology absorption, adaptation & innovation
- b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
- 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 :

Technology Absorption Programme has been completed satisfactorily. The product range has been further diversified to produce new varieties of Acrylic Fibre. Efforts are on to further conserve the energy and to develop new varieties of Acrylic Fibre for development of new end uses.

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

During this year export sale has decreased from ₹ 219.94 Crore to ₹ 171.67 Crore.

Used : ₹ 22538.19 Lakhs  
(Previous year ₹. 27101.22 Lakhs)  
Earned : ₹ 16644.46 Lakhs  
(Previous year ₹. 21975.59 Lakhs)

For and on behalf of Board of Directors

Place : Chandigarh  
Date : 30.05.2017

**H.K. SINGHAL**  
FINANCE DIRECTOR

**R.K. GARG**  
MANAGING DIRECTOR

**Annexure 2**

**SECRETARIAL AUDIT REPORT  
FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

To,  
The Members,  
**Indian Acrylics Limited**

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

Based on my verification of Indian Acrylics Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board –processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2017 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (6) Apprentices Act, 1961
- (7) Employment Exchange (Compulsory Notification of Vacancies Act, 1959)

- (8) Industrial Employment (Standing Orders) Act, 1956
- (9) Minimum Wages Act, 1948
- (10) Payment of Bonus Act, 1965
- (11) Payment of Wages Act, 1936
- (12) Motor Vehicle Act, 1988
- (13) The Water (Prevention & Control of Pollution) Act, 1974
- (14) The Water (Prevention & Control of Pollution) Cess Act, 1977
- (15) The Central Excise Act, 1944
- (16) Employees' State Insurance Act, 1948
- (17) Employees' Provident Fund & Misc. Provisions Act, 1952
- (18) Central Sales Tax Act, 1956 & Punjab VAT Act, 2005
- (19) Air (Prevention & Control of Pollution) Act, 1981
- (20) Payment of Gratuity Act, 1972
- (21) Indian Electricity Act, 1910 & Rules 1956
- (22) Hazardous Waste (Management & Handling) Rules 1989 under EP Act, 1986
- (23) Industrial Development & Regulation Act, 1951
- (24) Contract Labour Regulation & Abolition Act, 1971

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **I further report that**

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

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

Decisions at the Board meetings, as represented by management, were taken unanimously.

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

**I further report that** during the audit period, there were no instances of:

- (i) Public/ Rights/ Preferential issue of shares/ debentures/ sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh  
Date: 30.05.2017

**Sushil K. Sikka**  
Company Secretary  
FCS 4241  
CP 3582

To,  
The Members  
**Indian Acrylics Limited**

My report of even date is to be read along with this letter.

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

Place: Chandigarh  
Date: 30.05.2017

**Sushil K. Sikka**  
Company Secretary  
FCS 4241  
CP 3582

**ANNEXURE-3**

**DETAILS PERTAINING REMUNERATION AS REQUIRED UNDER SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014**

- i) **The ratio of the remuneration of each Director to the median employee's remuneration of the Company for the financial year**

<b>Non Executive Directors</b>	<b>Ratio to Median Remuneration</b>
Mrs Tejinder Kaur	0.78
Shri S K Singla	0.69
Shri M.M Chopra	0.52
Shri B B Tandon	0.52
Shri A.S. Chatha	0.52
Shri Satish Kumar Dua	0.17
<b>Executive Directors</b>	
Shri R K Garg	92.18
Shri H K Singhal	13.24

- ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Director, Chief Executive Officer, Chief Financial Officer, Company Secretary	% age increase in Remuneration
Shri R K Garg	3.22
Shri H K Singhal	3.08
Shri Bhavnesh K Gupta	11.78

- iii) **The percentage Increase/ Decrease in the median remuneration of employees in the financial year 2016-17.**

There is decline in median remuneration of employee to 24.22%, in view of increase in number of employees in the Spinning Mill Plant.

- iv) **The number of permanent employees on the rolls of Company.**

The number of permanent employees on the roll of company as of 31<sup>st</sup> March 2017 was 2086.

- v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The average increase in salary other than managerial remuneration in 2016-17 was 9.57% and percentage increase in the managerial remuneration for the year was 10.23%.

- vi) **Affirmation that the remuneration is as per the remuneration policy of the company.**

It is confirmed that the remuneration is paid as per the remuneration policy of the Company.

**STATEMENT PURSUANT TO SECTION 197 OF COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

S.No	Name of Employee	Designation	Remuneration (₹ in Lakhs)	Qualification & Experience (yrs)	Date of commencement of Employment	Age	% of shares held	Relative Director
1.	Sh. R.K. Garg	Managing Director	106.16	B.E (Civil Engg.) 53	01.10.1990	74	3.05	Yes. Sh. Dheeraj Garg
2.	Sh. Surinder Kansal	Executive Director - Commercial	32.27	B.com/ CA	01.02.1994	51	Nil	Nil
3.	Sh. Alok Goyal	Executive Director - Works	23.07	B.Tech (Chemical)	21.09.1998	51	Nil	Nil

## INDIAN ACRYLICS LIMITED

4.	Sh. Bhavnesh Kumar Gupta	General Manager cum Company Secretary	18.75	Company Secretary	01.07.1992	59	Nil	Nil
5.	Sh. Sanjay Chopra	Senior General Manager	18.24	B.Tech (Electrical)	13.08.2015	52	Nil	Nil
6.	Sh. Rajjan Lal Yadav	Chief General Manager - Commercial	17.91	B.Com	04.10.1989	49	Nil	Nil
7.	Sh. Satish Sigroha	Senior General Manager(Technical)	16.78	B.Tech. (Textile)	01.08.1995	48	Nil	Nil
8.	Sh. Sanjeev Kumar Pusri	General Manager (Purchase)	15.59	B. Tech. (Mechanical)	16.05.1994	50	Nil	Nil
9.	Sh. Arunabha Bhattacharyya	Senior General Manager(Prod & Dev)	14.38	B.Sc. (Textile)	21.03.2016	55	Nil	Nil
10.	Sh. Arvind Rastogi	General Manager	13.39	B. Tech. (Textile)	09.11.2015	54	Nil	Nil

ANNEXURE-4

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

I.	CIN	L24301PB1986PLC006715
ii.	Registration Date	28/02/1986
iii.	Name of the Company	INDIAN ACRYLICS LIMITED
iv.	Category/Sub-category of the Company	PUBLIC LIMITED
v.	Address of the Registered office & contact details	VILLAGE HARKISHANPURA, SUB-TEHSIL BHAWANIGARH, DISTT. SANGRUR (PB) 148026. TEL:+91-01672-278106, 278104 FAX: +91-01672-278110
vi.	Whether listed Company	LISTED COMPANY
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S ALANKIT ASSIGNMENTS LIMITED ALANKIT HOUSE, 2E/21, JHANDEWALAN EXTENSION, NEW DELHI 110055. PH.: 011-42541234/23541234

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Manufacture and Sale/ Trading of Acrylic Fibre/ Yarn and related activities	5503	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Carlit Trading Europe, S.L.U (Spain)	-	Subsidiary	100	2(87)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	21784166	-	21784166	16.10	23306010	-	23306010	17.22	1.12
b) Central Govt	18330000	-	18330000	13.55	18330000	-	18330000	13.55	
c) State Govt(s)									
d) Bodies Corp.	39356648	-	39356648	29.08	39356648	-	39356648	29.08	
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	79470814	-	79470814	58.73	80992658	-	80992658	59.85	1.12
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	135350	96800	232150	0.17	-	96800	96800	0.07	(0.10)
b) Banks / FI	-								
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	135350	96800	232150	0.17	-	96800	96800	0.07	(0.10)
<b>2. Non-Institutions</b>									
a) Bodies Corp.	14180716	158500	14339216	10.60	9687024	156700	9843724	7.27	(3.33)

## INDIAN ACRYLICS LIMITED

i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	20050102	9523320	29573422	21.85	21966426	9401620	31368046	23.18	1.33	
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	11706560	-	11706560	8.65	13020934	-	13020934	9.62	0.97	
c) Others (specify)										
Non Resident Indians	-	-	-	-	-	-	-	-	-	
Overseas Corporate Bodies										
Foreign Nationals										
Clearing Members										
Trusts										
Foreign Bodies - D R										
<b>Sub-total (B)(2): -</b>	45937378	9754320	55691698	41.10	44674384	9558320	54232704	40.07	(1.03)	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	46072728	9778620	55851348	41.27	44674384	9655120	54329504	40.14	(1.13)	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	125543542	9778620	135322162	100.00	125667042	9655120	135322162	100.00		

### (i) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year		% change in shareholding during the year	
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PSIDC Ltd.	18330000	13.55	-	18330000	13.55	-	-
2	Shri R K Garg	4128444	3.05	1.36	4128444	3.05	1.36	-
3	Smt. Sunena Garg	278368	0.21	0.21	278368	0.21	0.21	-
4	Shri Dheeraj Garg	17294554	12.78	0.21	18816398	13.90	0.21	1.12

5	Ms. Priya Garg	82800	0.06	-	82800	0.06	-	-
6	Indian Acrylics Invt. Ltd.	2890030	2.14	-	2890030	2.14	-	-
7	SAB Udyog Ltd.	16880646	12.47	8.20	16880646	12.47	8.20	-
8	SAB Industries Ltd.	14793772	10.93	5.59	14793772	10.93	5.59	-
9	Steel Strips Infrastructures Ltd.	3700000	2.73	-	3700000	2.73	-	-
10	Malwa Chemtex Udyog Ltd.	1000000	0.74	-	1000000	0.74	-	-
11	Munak International Pvt. Ltd.	68600	0.05	-	68600	0.05	-	-
12	S J Mercantile Pvt. Ltd.	21000	0.02	-	21000	0.02	-	-
13	Steel Strips Mercantile Pvt. Ltd.	1600	-	-	1600	-	-	-
14	Steel Strips Industries Ltd.	1000	-	-	1000	-	-	-
		79470814	58.73	15.57	80992658	59.85	15.57	1.12

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year	
		No. of shares		% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	79470814		58.73		
	Date wise Increase/ Decrease	Date	No. of Shares Purchased	% of total shares of the Company	No. of shares held	% of total shares of the Company
	Sh. Dheeraj Garg	23.08.2016	49500	0.04	79520314	58.77
		24.08.2016	1275940	0.94	80796254	59.71
		03.10.2016	100000	0.07	80896254	59.78
		04.10.2016	96404	0.07	80992658	59.85
	At the end of the year		80992658	59.85	80992658	59.85

Except market purchase by Shri Dheeraj Garg, there is no change in other co-promoters shareholding during the year.

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

SN	Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Bloomen Flora Ltd.	2838774	2.10	2838774	2.10
2.	Rajasthan Global Securities Pvt. Ltd.	2318877	1.71	1052027	0.77

## INDIAN ACRYLICS LIMITED

3.	SCM Fintrade Pvt. Ltd.	938542	0.69	938542	0.69
4.	Mathew Cyriac	-	-	805180	0.59
5.	Sandeep Ravindra Shah	500000	0.37	500000	0.37
6.	Drishti Shares and Investments Pvt. Ltd.	-	-	347110	0.26
7.	Vijay Vishnuprasad Marda	-	-	340000	0.25
8.	Namita Bhandare	-	-	300000	0.22
9.	Nizar Vali Maredia	-	-	275001	0.20
10.	Karvy Stock Broking Limited	-	-	244860	0.18

\* The shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated.

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

S N	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Sh. R K Garg	01.04.2016	At the beginning of the year	4128444	3.05		
		31.03.2017	At the end of the year			4128444	3.05
2.	Sh. Dheeraj Garg	01.04.2016	At the beginning of the year	17294554	12.78		
			23.08.2016	49500	0.04	17344054	12.82
			24.08.2016	1275940	0.94	18619994	13.76
			03.10.2016	100000	0.07	18719994	13.83
			04.10.2016	96404	0.07	18816398	13.90
		31.03.2017	At the end of the year			18816398	13.90
3.	Sh. H K Singhal	01.04.2016	At the beginning of the year	1210	-		
			31.03.2017	At the end of the year			1210
4.	Sh. A S Chatha	01.04.2016	At the beginning of the year	-	-		
			18.10.2016	10000	-	10000	-
			04.11.2016	3000	-	13000	0.01
		31.03.2017	At the end of the year			13000	0.01

**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4008.32	4906.74	-	8915.06
ii) Interest due but not paid	25.28	-	-	25.28
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	4033.60	4906.74		8940.34
<b>Change in Indebtedness during the financial year</b>				
* Addition	4891.94	1188.34	-	6080.28
* Reduction	314.68	-	-	314.68
<b>Net Change</b>	4577.26	1188.34	-	5765.60
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8538.98	6095.08		14561.77
ii) Interest due but not paid	71.88	-	-	71.88
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	8610.86	6095.08	-	14705.94

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri R K Garg (MD)	Shri H K Singhal (WTD)	Shri Dheeraj Garg (WTD)	
1	Gross salary				
	(i) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10472000/-	1411200/-	-	11883200/-
	(ii) Value of perquisites u/s 17(2) Income-tax Act, 1961	144273/-	114164/-	-	258437/-
	(iii) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	10616273/-	1525364/-	-	12141637/-
	Ceiling as per the Act	10% of Net Profit of the Company/as per Schedule V of the Companies Act			

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### B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Sh. M M Chopra	Sh. B B Tandon	Sh. A S Chatha	Smt. Tejinder Kaur	
1	Independent Directors					
	Fee for attending board committee meetings	60000	60000	60000	90000	270000
	Commission					
	Others, please specify					
	Total (1)	60000	60000	60000	90000	270000
2	Other Non-Executive Directors	Sh. S K Singla	Sh. S K Dua	-	-	
	Fee for attending board committee meetings	80000	20000	-	-	100000
	Commission					
	Others, please specify					
	Total (2)	80000	20000	-	-	100000
	Total (B)=(1+2)					370000
	Total Managerial Remuneration					Nil
	Overall Ceiling as per the Act	Not Applicable as only sitting fees paid				

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel
		CS (Sh. Bhavnesh K Gupta)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	2027300/-
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	others, specify...	-
5	Others, please specify	-
	Total	2027300/-

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

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

**a) Acrylic Fiber Industry – Global and Indian Perspective:**

During the year under review, the Industry witnessed marginally higher demand of Acrylic Fibre (AF). The raw materials as well as energy prices were comparable to the previous year. China consumed almost 50% of acrylic fibre produced in the world and AF consumption in China decreased by about 8% during the year. The total demand of acrylic fibre in the world grew from 1.781 million ton in 2015-16 to 1.79 million ton in 2016-17.

As far as production of AF in India is concerned, it decreased from 0.10 million ton during 2015-16 to 0.093 million ton in the current year, showing decrease of 7%. The domestic sale of AF Industry decreased from 0.068 million ton to 0.060 million ton and exports decreased from 0.031 million ton to 0.026 million ton. On the whole, Indian consumption of AF has been decreased during the year under review. But imports of Acrylic Fibre increased by about 6 percent thereby causing severe injury to domestic industry.

While during the first 6 months of the year 2016-17, International AF prices were quite stable and then they kept increasing for rest of the year.

Acrylonitrile (ACN), a crude oil derivative, is the principal raw material for manufacture of Acrylic Fiber. Normally, it is influenced by crude oil prices, though the same is also impacted by its demand-supply balance as well as demand for propylene (an input for ACN) from competing end uses and its availability. Crude oil scenario was unfavorable for the demand growth for man made fibers including acrylic fibre.

Jilin JiMont China has increased capacity of fibre plant by 30000 MT in October 2016, raising total capacity to 1,30,000 MT per annum. We have also increased capacity of fibre plant by 3000 MT per annum during the year by adding the balancing equipments in the production line, to reduce our production cost. This has been commissioned successfully with effect from 1.1.2017. There is no other major change in the world capacities of Acrylic Fibre during the year.

**b) Business Outlook:**

India's economic growth is estimated to slow to 7.1 percent in the current fiscal year ending March 31, 2017 as compared to 7.6 percent last year, the first indicator of the impact of the demonetization drive. The estimates have been reduced in all the sectors, except for agriculture, which has improved due to the positive monsoon season. Growth rate of industrial sector is estimated to moderate to 5.2 per cent in 2016-17 from 7.4 per cent last fiscal. During April-November 2016, a modest growth of 0.4 per cent has been observed in the Index of Industrial Production (IIP) due to strong growth in electricity generation offset by moderation in mining and manufacturing.

Another big challenge is the long-value chain of the textile industry of which about 90% is in the unorganized sector. This could prove to be the biggest challenge as most of the small weaving units may have a turnover below the threshold limit and there is a serious possibility of the VAT chain being broken. The absence of fibre-neutrality in India is also posing a threat to Indian synthetic textile industry. Depending on how the GST is structured it is likely to treat all fibres in the same way whether cotton based or based on man-made fibres. There will thus be adjustments within the textile sector even if the overall textile sector demand does not get affected by the transition to GST rate. The cotton textile industry presently has a lower effective tax rate as compared to the synthetic textile industry. The uniform GST rate is therefore likely to lead to higher increase in prices of cotton textiles as compared to synthetic textiles. As a result cotton textile manufacturers can be expected to increase blending of synthetic fibres with cotton fibres. The cotton synthetic fibre mix is at present 60:40 in India whereas world over it is 40:60. The Government needs to bring fibre-neutrality so that this ratio is at par with the world. As CGST and SGST rates are likely to be higher than the current textile sector rate this will result in the higher revenue to the Central and State Government and textile prices will increase. This will adversely affect demand for textile products. Our estimates based on time series on private final consumption expenditure on clothing shows that demand elasticity with respect to implicit price deflator or of clothing relating to implicit price deflator of all goods is low. Therefore the magnitude of effect will be low. This will be further mitigated because estimates indicate that GST will have an overall positive income effect which will improve the demand for clothing and thus create positive impact for textile sector.

The Company had started 25632 spindles for production of dyed acrylic yarn during the year 2016-17. Work on installation of 15360 more spindles is now in progress. These spindles alongwith all other facilities required for production of dyed acrylic yarns will be coming into production during first half of the current year 2017-18. These facilities shall further help in increasing the demand of acrylic fibre as well as in making more diversified and broad based customer base in both domestic as well as export markets.

**Internal Control Systems and Their Adequacy:**

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

## INDIAN ACRYLICS LIMITED

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

**c) Management Perception Of Risk & Concerns:**

**Risk Management**

The Risk Management Committee ensures compliance of all the fiscal, industrial, labour and environments laws by using adequate internal control measures and through regular monitoring by the respective departmental heads in the company.

The following table gives the key risks faced by the Company, and the steps taken to mitigate the same:

Key Risks	Impact on IAL	Mitigation
Global Economic Scenario	Spending on clothing have shown strong correlations with GDP Growth. Uncertain economic outlook in China can impact the consumer spending on clothing and thereby constrain the demand growth of acrylic fibre.	<ul style="list-style-type: none"> <li>- Well diversified customer base across different geographical locations and across different end uses of fibre</li> <li>- Target newer markets which might provide counter-cyclical support</li> </ul>
Adverse change in Govt Policy	Any sudden action by the Government to allow duty free imports of acrylic fibre in India under free trade agreements without corresponding reduction in the duties on raw materials can impact the company as there are no local producers and company is dependent on imports for its main raw materials	<ul style="list-style-type: none"> <li>- Increasing exports share in the turnover of the company by investing in newer markets development</li> </ul>
Currency Volatility	Volatility in currency exchange movements resulting in sudden transaction and translation exposure	<ul style="list-style-type: none"> <li>- Currency hedging policy and practices in place</li> <li>- Hedging strategy monitored by risk management committee through regular reviews.</li> </ul>
Crude Oil volatility	Volatility in crude oil prices resulting in sudden spurt or plunge of raw materials prices	<ul style="list-style-type: none"> <li>- Increasing value added products in the product mix.</li> <li>- Inventory exposure monitored by risk management committee through regular reviews</li> </ul>
Dumping of fibre	Large scale dumping by certain countries in India can impact the domestic sales	<ul style="list-style-type: none"> <li>- Investing in the energy saving, alternate fuels and new products by in-house R &amp; D.</li> <li>- Increasing exports sales by developing the new export markets</li> </ul>

As such, the Company is monitoring and taking steps to mitigate the risks, if any, which may threaten the existence of the Company.

**Cautionary Statement:**

Statements in this report on Management Discussion and Analysis describing the Company's Objectives, projections, estimates, expectations or predictions may be "forward looking" within the meaning of applicable Securities laws and regulations. Actual results could differ materially from those expressed or implied.

On Behalf of the Board of Directors

Place : Chandigarh  
Date : 30.05.2017

**H.K. SINGHAL**  
FINANCE DIRECTOR  
DIN-00044328

**R.K. GARG**  
MANAGING DIRECTOR  
DIN-00034827



**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.

The Company is in Compliance with the requirements stipulated under Schedule V of SEBI (LODR) Regulations, 2015 and with the Listing Regulations entered into with the stock Exchanges, with regard to corporate governance.

**BOARD OF DIRECTORS**

- i. As on March 31, 2017, the Company has ten Directors including a Non-Executive Chairman. Of the ten Directors, seven are Non-executive Directors of which, four are Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015
- ii. During the year under review, 4 Board Meetings were held, one each on 27<sup>th</sup> May 2016, 12<sup>th</sup> August 2016, 12<sup>th</sup> November 2016 and 13<sup>th</sup> February 2017 and the gap between two meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.
- iii. None of the Directors on the Board held Directorships in more than ten Public Companies. Further, none of them is a member of more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he was a Director. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2017 have been made by the Directors.
- iv. Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16 of SEBI (LODR) Regulations, 2015 and Section 149 of the Act.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Companies as on March 31, 2017 are given below. Other Directorships do not include Directorships of Private Limited Companies, Section 8 Companies and of Companies incorporated outside India. Chairmanships/ Memberships of Board Committees include only Audit Committee and Stakeholders' Relationship Committee.

Name of Director	Category of Directors	No. of Board Meetings held during the year 2016-17		Annual General Meeting Attendance (held on 29.09.16)	No. of Directorship in other Public Companies		No. of Committee Positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
*Smt. Indu Malhotra (PSIDC Nominee) DIN 02986786	Non Executive Director/ Chairman	4	-	-	-	4	-	-
Shri R K Garg DIN 00034827	Managing Director- Executive	4	4	-	4	1	-	-
Shri Dheeraj Garg DIN 00034926	Additional Managing Director- Executive	4	1	-	-	1	-	-
Prof (Dr) B B Tandon DIN 00035266	Non Executive-Independent	4	2	-	-	2	1	1
Shri A S Chatha DIN 02289613	Non Executive-Independent	4	3	-	-	4	-	-
Shri M M Chopra DIN 00036367	Non Executive-Independent	4	2	-	-	2	-	1

## INDIAN ACRYLICS LIMITED

Shri H K Singhal DIN 00044328	Finance Director	4	4	Yes	-	6		6
**Shri Satish Kumar Dua DIN 06949879	Non Executive Director	4	1	-		-	-	-
Smt. Tejinder Kaur DIN 00512377	Non Executive-Independent	4	3	-		2	-	-
Shri S K Singla (PSIDC Nominee) DIN 00051799	Non Executive-Director	4	4			7	-	-

\* Smt. Indu Malhotra, IAS was appointed as Director on 27/05/2016 and vacated the office of Director w.e.f. 30/05/2017 pursuant to Section 167(b) of the Companies Act, 2013.

\*\* Shri Sanjeev Kumar Bajaj PNB Nominee has replaced Shri Satish Kumar Dua w.e.f. 30/05/2017.

- vi) During the year, a separate meeting of the Independent directors was held inter-alia to review the performance of non-independent directors and the Board as a whole. The Company has adopted a familiarization programme for the independent directors, which has been displayed on the website of the Company.
- vii) The Board periodically reviews compliance reports of all laws applicable to the Company and steps are taken to rectify the instances of non-compliance, if any.

### **COMMITTEES OF DIRECTORS:**

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

<b>Name of Committee</b>	<b>Composition</b>	<b>Terms of Reference</b>
Sub-Committee of the Board	Shri R.K. Garg, (Chairman), Shri M. M. Chopra, Shri B. B. Tandon, and Shri H.K. Singhal	-The Sub-Committee of Board of Directors has been constituted in line with the provisions of Regulation 33 of SEBI (LODR) Regulations, 2015 to review unaudited financial results. - During the year, no meeting was held.
Finance Committee	Shri R.K. Garg (Chairman), Shri Dheeraj Garg, Shri H.K. Singhal.	-The role of the Finance Committee is as per Section 179 of the Companies Act, 2013. -Powers of finance committee include power to borrow money, invest funds of the Company and to grant loans or give guarantee or provide security in respect of loans. - During the year, the Committee held three meetings.
Audit Committee	Shri M.M. Chopra, (Chairman), Shri H.K. Singhal Prof. (Dr.) B.B. Tandon and Smt Tejinder Kaur	-The role of the Audit Committee is as per Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015. -The Vigil Mechanism of the Company, which also incorporates a whistle blower, aims to provide a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or Policy. The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board may be accessed on the Company's website. -The Policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website. -During the year, the committee held four meetings.

<p>Nomination and Remuneration Committee</p>	<p>Shri A.S. Chatha, Prof.(Dr.) B. B. Tandon, Smt. Tejinder Kaur</p>	<p>-Formulated and recommended Nomination and Remuneration Policy. -The Nomination &amp; Remuneration Policy includes policy on Director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Section 178(3) of the Companies Act, 2013. -The Company's Remuneration Policy is driven by the success and performance of the individual employees and the Company. Through its compensation programme, the Company endeavor to attract, retain, develop and motivate high performance workforce. The Company pays remuneration by way of salary, benefits, perks, perquisite and allowances to its employees. - During the year, the committee held three meetings.</p>
<p>Corporate Social Responsibility Committee</p>	<p>Shri R.K.Garg, Shri Dheeraj Garg Shri A.S.Chatha</p>	<p>-Formulated and recommended CSR Policy of the Company indicating CSR activities proposed to be undertaken by the Company pursuant to provisions of Schedule VII of the Companies Act, 2013 read with CSR rules, 2014. -The CSR policy may be accessed on the Company's website. Recommended expenditure to be incurred for CSR activities/project and ensures effective monitoring of CSR policy of the Company from time to time. - During the year, the committee held one meeting.</p>
<p>Stakeholder Relationship Committee</p>	<p>Shri B.B.Tandon, Shri H K Singhal and Shri Bhavnes K Gupta</p>	<p>-The Committee reviews and ensures redressal of investor grievances. -The Committee noted that during the year the Company received 5 complaints and all the complaints have been duly resolved by the Company and there is no pendency in respect of shares received for transfer during 2016-2017 except those that are disputed/ sub-judice. - During the year, the committee held two meetings.</p>
<p>Secretarial Committee</p>	<p>Shri Dheeraj Garg, Shri H.K. Singhal, and Shri Bhavnes K Gupta</p>	<p>-The Secretarial Committee approves and monitors transfers, transmission, splitting and consolidation of shares of the company. - The Secretarial Committee of the company meets as often as required. The Committee met 26 times during the year.</p>
<p>Risk Management Committee</p>	<p>Shri R.K. Garg, Shri Dheeraj Garg and Shri Surinder Kansal</p>	<p>-The Risk management Committee has formulated Risk Management Policy of the Company which aims to maximize opportunities in all activities and to minimize adversity. -The risk management framework includes identifying types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. -The Risk Management policy may be accessed on the Company's website</p>

## INDIAN ACRYLICS LIMITED

### **REMUNERATION POLICY**

The remuneration policy is formulated by the Nomination and Remuneration Committee (NRC) and approved by the Board. The brief contents of the policy are as under:

- The Directors, Key Management Personnels and other Senior Official's salary shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any. The NRC will determine individual remuneration packages for Directors, KMP's and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable Companies having due regard to financial and commercial health of the Company as well as prevailing laws and Govt./ other guidelines.

### **REMUNERATION OF DIRECTORS**

Shri R.K. Garg, Shri H K Singhal and Shri Dheeraj Garg are whole-time Directors. Shri Dheeraj Garg Additional Managing Director, has been appointed on 30/05/2015 for five years without remuneration. Particulars of Sh. R K Garg and Sh. H K Singhal, and details of their remuneration, as approved by the Board of Directors and Shareholders, are as under:

	Shri R.K. Garg DIN-00034827	Shri H K Singhal DIN-00044328	Shri Dheeraj Garg DIN-00034926
Designation	Managing Director	Finance Director	Additional Managing Director
- Last appointed on	01/03/2015	01/02/2015	30/05/2015
- Term	Three years	Three years	Five years
- Salary	₹4,25,000/- per month	₹.80,000/- per month	Without Remuneration
- Perquisites viz. housing accommodation, gas & electricity/ medical benefits	Up to a maximum of ₹33,00,000/-	Reimbursement of House Rent Up to 35% of the salary (over and above 15% payable by the Finance Director) & medical bills upto 5% of the basic salary in a year, cumulative up to three years	-
- 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.	-

The remuneration is in conformity with Schedule V of the Companies Act, 2013. Other non-executive directors are paid sitting fee of ₹20,000/- for each Meeting of the Board, and ₹10,000/- for each Meeting of the Audit Committee and Sub-Committee attended by them. The Company also reimburses the out of pocket expenses incurred by the Directors for attending meetings.

### **EMPLOYEE STOCK OPTION (ESOP)**

The company has not issued any employee stock options during the year.

### **DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON 31<sup>ST</sup> MARCH 2017**

NAME	NO OF SHARES
SH. R.K GARG	4128444
SH. DHEERAJ GARG	18816398
SH. H.K SINGHAL	1210
SH. A.S CHATHA	13000

## **GENERAL BODY MEETINGS**

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

Nature of Meetings	Day	Date	Time	Venue
AGM	Thursday	29.09.2016	11.00 am	At Regd Office at Village Harkishanpura Distt Sangrur (Punjab)
AGM	Tuesday	29.09.2015	11.00 am	Same as above
AGM	Monday	29.09.2014	11.00 am	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. The Policy on dealing with Related Party Transactions as approved by the Board is posted on the website of the Company.
- The Company has framed a Whistle Blower Policy, detail of which are available on the Company's website.
- 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., SAB Developers Pvt. 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.
- Shri Dheeraj Garg, Additional Managing Director and Shri H K Singhal, Finance Director have certified to the Board in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March, 2017.
- 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, as amended, the Company has adopted a "Code of Conduct for Prevention of Insider Trading". Sh. H K Singhal, Finance Director 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/ Jan Satta/ Punjabi Tribune. All price sensitive information is made available at the earliest under intimation to Stock Exchanges and displayed on the website of the Company.

## **GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting of the Company: 29<sup>th</sup> September 2017 at 11:00 AM, at Regd. Office of the Company.

## INDIAN ACRYLICS LIMITED

### FINANCIAL CALENDER (Tentative)

Results for quarter ending June 2017	:	Second week of Aug., 2017
Results for quarter ending Sept. 2017	:	Second week of Nov., 2017
Results for quarter ending Dec. 2017	:	Second week of Feb., 2018
Results for quarter ending March 2018	:	Last week of May, 2018
Date of Book Closure	:	23.09.2017 to 29.09.2017
Dividend Payment Date	:	NotApplicable
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-16	12.70	11.06	2595862	3247	31035548.00
May-16	14.80	11.70	5139567	6635	69204330.00
June-16	16.24	12.00	6016674	7292	83650398.00
July-16	16.95	14.70	6379492	8669	102728835.00
August-16	19.95	14.30	8241055	11293	142030751.00
September-16	19.95	17.05	3709043	6453	68604138.00
October-16	24.80	18.00	10056779	16511	218757874.00
November-16	24.75	14.50	5970364	10864	116489584.00
December-16	19.70	15.85	2016890	4325	36262882.00
January-17	19.75	16.80	2336321	4829	43514970.00
February-17	19.25	15.00	2809108	5117	47487604.00
March-17	17.75	15.00	3635144	5453	58656585.00

### Shareholding Pattern as on 31st March 2017

Sr. No.	Particulars	No. of Shares	% age
1.	Promoters, Directors & Associates	80992658	59.85
2.	Bodies Corporate	9843724	7.27
3.	FI's & Mutual Funds	96800	0.07
4.	NRI's	-	-
5.	General Public	44388980	32.81
	Total	135322162	100.00

### Distribution of shareholding as on 31st March 2017

Share holding of		Shareholders		Share Amount	
Face Value of ₹.10/-	Face Value of ₹.10/-	Number	%age to Total	In ₹.	%age to Total
1	500	1,03,455	98.90	24,50,74,470	18.11
501	1000	587	0.56	4,62,12,050	3.41
1001	2000	260	0.25	3,81,19,800	2.82
2001	3000	101	0.10	2,53,41,080	1.87
3001	4000	48	0.05	1,71,35,550	1.27
4001	5000	40	0.04	1,85,11,610	1.37
5001	10000	54	0.05	3,81,53,740	2.82
10001	and Above	50	0.05	92,46,73,320	68.33
		1,04,595	100.00	1,35,32,21,620	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. 4E/2, 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, ADRs or GDRs. The company has dematerialized 1257 lakhs equity shares comprising 92.86% of the total Equity till date.

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

**CORPORATE IDENTIFICATION NUMBER (CIN): L24301PB1986PLC006715**

#### REGISTERED OFFICE & WORKS:

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

#### NAME, DESIGNATION, ADDRESS & E-MAIL OF COMPLIANCE OFFICER:

Sh. Bhavnesh Kumar Gupta, G.M. Cum Company Secretary  
 INDIAN ACRYLICS LIMITED  
 Corporate Office: S C O 49-50, Sector – 26,  
 Madhya Marg, Chandigarh-160019  
 Telephone No. 0172-2793112, 2792385  
 E-mail bhavnesh@indianacrylics.com

#### 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  
 Website: www.indianacrylics.com

On Behalf of Board of Directors

Place : Chandigarh  
 Date : 30.05.2017

**H.K. SINGHAL**  
 FINANCE DIRECTOR  
 DIN-00044328

**R.K. GARG**  
 MANAGING DIRECTOR  
 DIN-00034827

# INDIAN ACRYLICS LIMITED

## **CERTIFICATE OF CORPORATE GOVERNANCE**

We have examined the Company's compliance of conditions of Corporate Governance by Indian Acrylics Limited for the year ended on 31<sup>st</sup> March 2017 as stipulated in Schedule V of SEBI (LODR) Regulations, 2015 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 Regulations. 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.

For S C DEWAN & CO.  
CHARTERED ACCOUNTANTS  
FRN-000934N

Place: Chandigarh  
Dated: 30.05.2017

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

## **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 2017, 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  
Dated: 30.05.2017

**H. K SINGHAL**  
Finance Director  
DIN-00044328

## **COMPLIANCE CERTIFICATE REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

We hereby certify that:

- (A) 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.
- (B) 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.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting 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.
- (D) 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 over financial reporting.

Place: Chandigarh  
Date: 26.05.2017

**H. K. SINGHAL**  
Chief Financial Officer

**DHEERAJ GARG**  
Addl. Managing Director



**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF  
SUBSIDIARIES/ASSOCIATE COMPANIES/ JOINT VENTURES**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in INR Lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Carlit Trading Europe, S.L.U. (Spain)
2.	The date since when subsidiary was acquired	25th November 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31/03/2017
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	69.25
5.	Share capital	2.08
6.	Reserves & surplus	0.60
7.	Total assets	34.30
8.	Total Liabilities	34.30
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	0.60
12.	Provision for taxation	Nil
13.	Profit after taxation	Nil
14.	Proposed Dividend	Nil
15.	Extent of shareholding (In percentage)	100%

**Note:**

1. There were no subsidiaries which have been liquidated or sold during the year.
2. The Company is not having any Joint venture Company or Associate Company.

**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

**S.K. SINGLA**  
**B.B. TANDON**  
**A.S. CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors  
**B.K. GUPTA**  
Company Secretary

Place : CHANDIGARH  
Dated : 30.05.2017

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Indian Acrylics Limited

### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of INDIAN ACRYLICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B;
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
    - iv. the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 which are in accordance with the books of accounts maintained by the company.

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

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

Place : Chandigarh  
Date : 30.05.2017

**Annexure A to the Independent Auditor's Report of even date to the members of INDIAN ACRYLICS LIMITED, on the financial statements for the year ended 31<sup>st</sup> March 2017**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and

explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and section 186 of the Companies Act 2013 are applicable and hence commented upon.

- (v) The Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly the provisions of clause 3(v) of the said Order are not applicable to the company.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate and complete.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount Paid Under Protest (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Sales Tax (Surcharge on exempted Tax)	78.68	62.34	2002-03	Supreme Court
Excise Dept.	Excise Duty	1.16	-	Various Years from 2005-09	Commissioner (Appeals)
Excise Dept.	Excise Duty	2.81	-	2002-03	Asstt/Dy Commissioner (Excise)
Service Tax Dept.	Service Tax	1.25	-	2014-15	Asstt/Dy Commissioner (Excise)
Service Tax Dept.	Service Tax	0.98	-	various Years from 2005-06 to 2009-10	CESTAT
Excise Dept.	Excise Duty	9.00	-	various Years from 2005-06 to 2009-10	CESTAT
Excise Dept.	Excise Duty	100.49	-	2001-02,2002-03 & 2005-08	Additional Commissioner (Excise)
Custom Dept.	Custom Duty	29.37	-	Various Years from 2000-01 to 2003-04	Additional Commissioner (customs)
Custom Dept.	Custom Duty	5.44	3.10	2003-04	CESTAT

## INDIAN ACRYLICS LIMITED

- |  |   |
|--|---|
| <p>(viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government or debenture holders.</p> <p>(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer /debt instruments. Monies raised by way of term loans were applied for the purposes for which those are raised.</p> <p>(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud /material fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.</p> <p>(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.</p> <p>(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.</p> | <p>(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.</p> <p>(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.</p> <p>(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.</p> <p>(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.</p> |
|--|---|

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

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

Place : Chandigarh  
Date : 30.05.2017

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

Name of Director (DIN)	Sh. Dheeraj Garg (DIN: 00034926)	Raja Shivdev Inder Singh (DIN:07859271)
Date of Birth	11/05/1972	02/08/1938
Date of first Appointment	29/11/1997	01/07/2017
Qualification/ Experience in Specific functional areas	B.Sc. (Finance) from U.S.A., Managing Director of Steel Strips Wheels Ltd.	Belongs to royal family of Patiala. MBA from University of California at Fresno and has varied experience in Management and Consultancy work.
List of Companies in which outside Directorships held (Excluding Private Limited/ Foreign Company)	Steel Strips Wheels Ltd.	Nil
Chairman/ Member of the Committee of Board of Directors of the Company includes only Audit Committee and Stakeholders Relationship Committee	Nil	Nil
Chairman/ Member of the Committee of Directors of other Companies in which he is a Director includes only Audit Committee and Stakeholders Relationship Committee includes only Audit Committee and Stakeholders Relationship Committee	Nil	Nil
No. of shares held in the Company	18816398 (13.90%)	Nil
Relationship with other Director/ Key Managerial Personnel	Son of Sh. R.K. Garg, Managing Director	Nil

For other details, such as, Number of meetings of the Board attended during the financial year, Remuneration last drawn, Remuneration proposed to be paid, Terms and Conditions of Appointment /re-appointment, please Refer to the Board's Report, MGT-9, Corporate Governance Report and the Notice alongwith Explanatory Statement.

**Annexure B to the Independent Auditor's Report of even date on the financial statements of INDIAN ACRYLICS LIMITED, for the year ended 31<sup>st</sup> March 2017**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of  
Indian Acrylics Limited

We have audited the internal financial controls over financial reporting of **INDIAN ACRYLICS LIMITED** ("the Company") as of March 31<sup>st</sup>, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of **INDIAN ACRYLICS LIMITED**, which comprise the Balance Sheet as at March 31<sup>st</sup>, 2017, and the related 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, and our report dated 30<sup>th</sup> May 2017 expressed an unqualified opinion.

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

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

Place : Chandigarh  
Date : 30.05.2017

# INDIAN ACRYLICS LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

PARTICULARS	NOTE NO.	AS AT 31/03/2017 (₹ in Lakhs)	AS AT 31/03/2016 (₹ in Lakhs)
<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	<u>(3,776.14)</u>	<u>(5,973.91)</u>
<b>Total (1)</b>		<u>9,756.08</u>	<u>7,558.31</u>
<b>(2) Share application money pending allotment</b>			
-			
<b>(3) Non- Current Liabilities</b>			
(a) Long-Term borrowings	3	5,838.61	1809.31
(b) Deferred Tax Liabilities (Net)	-	-	-
(c) Other Long Term Liabilities	4	6,095.08	4,906.74
(d) Long Term Provisions	5	<u>679.70</u>	<u>380.03</u>
<b>Total (3)</b>		<u>12,613.39</u>	<u>7,096.08</u>
<b>(4) Current Liabilities</b>			
(a) Short-Term borrowings	6	1,533.00	1,884.33
(b) Trade payable	7	15,219.13	14,074.57
(c) Other Current Liabilities	8	2,718.75	1,933.36
(d) Short-Term Provisions	9	<u>353.34</u>	<u>188.23</u>
<b>Total (4)</b>		<u>19,824.22</u>	<u>18,080.49</u>
<b>Total (1 to 4)</b>		<u>42,193.69</u>	<u>32,734.88</u>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	19,330.43	9,609.63
(ii) Intangible assets	-	-	-
(iii) Capital work-in progress	10	<u>269.82</u>	<u>5,597.86</u>
<b>Total (a)</b>		<u>19,600.25</u>	<u>15,207.49</u>
(b) Non-Current Investments	11	2.08	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans and Advances (Security Deposits)		151.22	123.80
(e) Other Non-Current assets		-	-
<b>Total (1)</b>		<u>19,753.55</u>	<u>15,331.29</u>
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	12	12,506.56	10,084.30
(c) Trade Receivables	13	4,853.27	2,863.44
(d) Cash and cash equivalents	14	2,597.00	2,234.90
(e) Short-Term Loans and Advances	15	2,413.45	2,035.80
(f) Other Current Assets	16	<u>69.86</u>	<u>185.15</u>
<b>Total (2)</b>		<u>22,440.14</u>	<u>17,403.59</u>
<b>Total (1+2)</b>		<u>42,193.69</u>	<u>32,734.88</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	26		

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

**S.K. SINGLA**  
**B.B. TANDON**  
**A.S. CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors  
**B.K. GUPTA**  
Company Secretary

Place : CHANDIGARH  
Dated : 30.05.2017

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

PARTICULARS	NOTE NO.	AS AT 31/03/2017 (₹. in Lakhs)	AS AT 31/03/2016 (₹. in Lakhs)
I. Revenue from Operations			
Gross Revenue from Operations	17	51,283.16	57,624.17
Less: Excise Duty	17	3,644.86	3,604.95
a) Net Revenue from Operations	17	47,638.30	54,019.22
b) Other Income from Operations	17	451.08	394.44
II. Other Income	18	0.22	0.22
<b>III Total Revenue (I+II)</b>		<b>48,089.60</b>	<b>54,413.88</b>
IV. Expenses:			
Cost of Materials Consumed	19	30,091.00	33,962.45
Purchase of Stock-in-Trade	20	1,323.01	1,634.21
Change in Inventories of Finished Goods, work-in-Progress and Stock-in-Trade	21	(2,290.47)	1,555.79
Employee benefit Expense	22	3,879.65	2,530.33
Finance Costs	23	1,561.12	1,759.18
Depreciation and amortization expense	10	1,264.75	1,015.25
Other Expenses	24	10,046.48	9,894.14
<b>Total Expenses</b>		<b>45,875.54</b>	<b>52,351.35</b>
V. Profit / (Loss) before exceptional and Extraordinary Items and Tax (III - IV)		<b>2,214.06</b>	2,062.52
VI. Exceptional Items	25	16.28	1.00
VII. Profit / (Loss) before Extraordinary Items (V-VI)		<b>2,197.78</b>	2,061.52
VIII. Extra ordinary Items		-	-
IX. Profit / (Loss) before Tax (VII - VIII)		<b>2,197.78</b>	2,061.52
X. Tax Expense:			
Income Tax (MAT)		-	-
XI. Profit / (Loss) from the period from continuing operations (IX - X)		<b>2,197.78</b>	2,061.52
Earning per share - Basic and Diluted (₹.)		1.62	1.52
(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**  
Mg. Director

**H.K. SINGHAL**  
Finance Director

**S.K. SINGLA**  
**B.B. TANDON**  
**A.S.CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors

**B.K. GUPTA**  
Company Secretary

Place : CHANDIGARH  
Dated : 30.05.2017

# INDIAN ACRYLICS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	(₹. in Lakhs) CURRENT YEAR	(₹. in Lakhs) PREVIOUS YEAR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	2,214.06	2,062.53
ADJUSTMENT FOR :		
i) ADD: DEPRECIATION	1,264.74	1,015.25
ii) ADD: INTEREST & FINANCIAL CHARGES EXPENSES	1,561.12	1,759.18
LESS: INCOME TAX (MAT)	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,039.92	4,836.96
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	(2,279.61)	(901.48)
INVENTORIES	(2,422.25)	(233.89)
TRADE PAYABLES / CURRENT LIABILITIES	1,144.10	872.80
CASH GENERATED FROM OPERATIONS	1,482.16	4,574.39
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
EXTRAORDINARY ITEMS / PRIOR PERIOD ADJUSTMENT	(16.28)	(1.00)
NET CASH FROM OPERATING ACTIVITIES	1,465.88	4,573.38
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(5,657.61)	(5,818.34)
SALE OF FIXED ASSETS	0.10	-
INVESTMENT IN EQUITY	2.08	-
NET CASH USED IN INVESTING ACTIVITIES	(5,657.58)	(5,818.34)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
INTEREST & FINANCIAL CHARGES PAID	(1,561.12)	(1,759.18)
TERM LOANS RECEIVED	5,268.52	2,360.00
TERM LOANS REPAYMENTS	(339.94)	(236.01)
UNSECURED LOAN (INTER CORPORATE LOANS) PAID/(RECEIVED)	1,188.34	1,906.47
NET CASH FROM FINANCING ACTIVITIES	4,555.80	2,271.28
<b>D. NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>		
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES	364.10	1,026.32
CASH AND BANK BALANCES (OPENING BALANCE)	2,234.90	1,208.58
CASH AND BANK BALANCES (CLOSING BALANCE)	2,597.00	2,234.90

### 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, 2017 and found the same in agreement therewith.

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

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

Place : CHANDIGARH  
Dated : 30.05.2017

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

**S.K. SINGLA**  
**B.B. TANDON**  
**A.S.CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors  
**B.K. GUPTA**  
Company Secretary



## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017

PARTICULARS	AS AT	
	31.03.2017 (₹.in Lakhs)	31.03.2016 (₹.in Lakhs)

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

1500 Lac (Previous Year 1500 Lakhs) Equity Shares of ₹. 10/- each	<b>15,000.00</b>	15,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b> 135322162 Equity Shares of ₹.10/- each fully paid up. (Previous year 135322162)	<b>13,532.22</b>	13,532.22
<b>Total (₹.)</b>	<b>13,532.22</b>	13,532.22

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

1. SHRI DHEERAJ GARG	<b>1,88,16,398</b>	<b>13.90</b>	1,72,95,154	12.78
2. SAB INDUSTRIES LTD	<b>1,47,93,772</b>	<b>10.93</b>	1,47,93,772	10.93
3. SAB UDYOG LTD	<b>1,68,80,646</b>	<b>12.47</b>	1,68,80,646	12.47
4. PSIDC LTD	<b>1,83,30,000</b>	<b>13.55</b>	1,83,30,000	13.55

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

1. Capital Reserves	<b>1,764.44</b>	1,764.44
2. Securities Premium Reserves	<b>39.23</b>	39.23
3. Other - General Reserves	<b>80.00</b>	80.00
4. Debit balance of Profit & Loss Account		
- Opening Balance	<b>(7,857.59)</b>	(9,919.12)
- Add: Profit for the year	<b>2,197.78</b>	2,061.52
<b>Total</b>	<b>(5,659.81)</b>	(7,857.59)
<b>Total (₹)</b>	<b>(3,776.14)</b>	(5,973.91)

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

	Non Current	Current	Non Current	Current
Term Loan				
- From Banks	<b>5,838.61</b>	1,239.25	<b>1,809.31</b>	339.96
- From other parties	-	-	-	-
<b>Total</b>	<b>5,838.61</b>	1,239.25	<b>1,809.31</b>	339.96

Repayment Schedule Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Repayment (₹ in Lakhs)	1153.82	1153.82	1153.82	1153.82	903.82

The Term Loans from banks amounting to ₹ 7077.86 Lakhs (Previous Year ₹ 2149.27 Lakhs) are secured by mortgage created on all the immovable assets of the Company, hypothecation of all the moveable assets including moveable machinery, machinery parts, tools and accessories and other moveables, (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' OTHER LONG TERM LIABILITIES

Inter Corporate Loan (Promoter Assisted)	<b>6,095.08</b>	4,906.74
<b>Total</b>	<b>6,095.08</b>	4,906.74

### NOTE NO. '5' LONG TERM PROVISIONS

Provisions for Gratuity & Earned Leaves	<b>679.70</b>	380.03
<b>Total</b>	<b>679.70</b>	380.03

## INDIAN ACRYLICS LIMITED

PARTICULARS	ASAT 31.03.2017 (₹.in Lakhs)	ASAT 31.03.2016 (₹.in Lakhs)
-------------	------------------------------------	------------------------------------

### NOTE NO. '6' SHORT TERM BORROWING

#### Secured Loans

Loans Repayable on demand (from banks)	1,533.00	1,884.33
	<u>1,533.00</u>	<u>1,884.33</u>

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.

### NOTE NO. '7' TRADE PAYABLES

- For Purchases - Micro & Small Enterprises #	122.23	134.01
- Others	13,759.20	12,733.75
- Capital Goods	<u>1,337.70</u>	<u>1,206.81</u>
<b>Total</b>	<u>15,219.13</u>	<u>14,074.57</u>

# 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	122.23	134.01
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 remainig due and payable in succeding years	-	-

### NOTE NO. '8' OTHER CURRENT LIABILITIES

1) Current Maturity of Long Term debt *	1,239.25	339.96
2) Cheques Issued But Not Yet Presented for Payment	573.12	146.38
3) Trade Advance	183.96	939.89
4) Other Payables **	<u>722.42</u>	<u>507.13</u>
<b>Total</b>	<u>2,718.75</u>	<u>1,933.36</u>

\* Details are given in Note No. 3

\*\* Includes statutory dues.

### NOTE NO. '9' SHORT TERM PROVISIONS

Provisions for Gratuity & Earned Leaves	53.64	51.84
Provisions for Excise Duty on Finished Goods	169.69	39.12
Provisions for Bonus	53.66	48.34
Provision for Others	<u>76.35</u>	<u>48.93</u>
<b>Total</b>	<u>353.34</u>	<u>188.23</u>

**NOTE NO. '10' FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01.04.2016 (₹.in Lakhs)	Additions (₹.in Lakhs)	Sale and Adjustment (₹.in Lakhs)	Cost As At 31.03.2017 (₹.in Lakhs)	Upto 01.04.2016 (₹.in Lakhs)	Retained Earning (₹.in Lakhs)	For the year (₹.in Lakhs)	Upto 31.03.2017 (₹.in Lakhs)	As At 31.03.2017 (₹.in Lakhs)	As At 01.04.2016 (₹.in Lakhs)
a) Land	264.17	-	-	264.17	-	-	-	-	264.17	264.17
b) Building	7,644.04	2,775.58	-	10,419.62	3,816.81	-	219.79	4,036.59	6,383.03	3,827.24
c) Plant & Equipments	36,119.80	8,035.05	-	44,154.85	30,695.91	-	985.60	31,681.51	12,473.34	5,423.88
d) Furniture / Fixture	222.09	33.29	-	255.38	191.86	-	11.40	203.26	52.12	30.23
e) Vehicles	236.83	90.39	0.10	327.11	200.76	-	24.06	224.82	102.30	36.07
f) Office Equipment	296.51	51.35	-	347.86	268.48	-	23.90	292.38	55.47	28.03
<b>Total (₹.)</b>	44,783.44	10,985.65	0.10	55,768.99	35,173.81	-	1,264.75	36,438.56	19,330.43	9,609.62
Previous Year	44,318.25	465.18	-	44,783.44	34,158.57	-	1,015.25	35,173.81	9,609.62	10,159.69

**CAPITAL WORK IN PROGRESS**

	As At 31.03.2017 (₹.in Lakhs)	As At 01.04.2016 (₹.in Lakhs)
Advance to Capital Goods Suppliers	135.94	697.59
Building/Plant & Machinery Under Erection/Installation	133.88	4,900.27
<b>Total (₹.)</b>	<b>269.82</b>	<b>5,597.86</b>

1) Depreciation is provided as per rates specified in Schedule II of the Companies Act, 2013 as per details given below:

S.No.	Name of Asset	SLM Basis
i)	Building & Tubwell	SLM Basis
ii)	Plant & Machinery (Modified Cotton)	SLM Basis
iii)	Plant & Machinery	WDV Basis
	(for current year has been provided for 333 days (Previous Year 351 days)	WDV Basis
iv)	Other Assets (Vehicles, Furniture & Fixture)	WDV Basis

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

## INDIAN ACRYLICS LIMITED

PARTICULARS	AS AT 31.03.2017 (₹.in Lakhs)	AS AT 31.03.2016 (₹.in Lakhs)
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### NOTE NO. '11' NON CURRENT INVESTMENT

Investment in Equity	2.08	-
<b>Total (₹.)</b>	<b>2.08</b>	-

The company has made an investment in 3000 shares of Euro 1 each in wholly owned subsidiary company name Carlit Trading Europe S.L.U.(Spain)

### NOTE NO. '12' INVENTORIES

(As taken valued and certified by the Management)

1. Raw Materials	5732.24	5686.33
2. Work in Progress	1,222.76	901.68
3. Finished Goods	3,780.08	1991.96
4. Stock in trade	635.34	454.07
5. Stores and Spares	1136.14	1050.26
<b>Total (₹.)</b>	<b>12,506.56</b>	<b>10,084.30</b>

- 1 Raw Materials Stores and Spares at weighted average cost plus direct expenses.
- 2 Work in Process at raw material cost plus conversion expenses depending upon stage of completion.
- 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.
- 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.

### NOTE NO. '13' TRADE RECEIVABLE

(Unsecured and considered good unless otherwise stated) Outstanding for a period exceeding six months

Less: Provision for bad & doubtful debts	168.67	119.09
	-	-
	168.67	119.09
Others - Considered good	4684.60	2744.35
<b>Total (₹.)</b>	<b>4,853.27</b>	<b>2,863.44</b>

Trade receivable include a sum of ₹3.17 Lakh (Previous year ₹2.43 Lakh), maximum during the year ₹3.17 Lakh (Previous year ₹2.43 Lakh) receivable from Indlon Chemicals Ltd.

### NOTE NO. '14' CASH & CASH EQUIVALENTS

Cash-in-Hand	7.79	29.59
Cheques and Drafts in Hand pending Collection	1,297.66	1,431.74

#### Balance with Banks

In current account	261.39	26.05
Fixed Deposit Receipts (Under bank lien)	1,030.16	747.52
<b>Total</b>	<b>2,597.00</b>	<b>2,234.90</b>

### NOTE NO. '15' SHORT TERM LOANS & ADVANCES

(Unsecured considered good)

(a) Loan and advances to related parties	-	-
(b) Other Loan & advances:		
Cenvat Balance	206.24	241.16
Advance to Suppliers	320.98	242.47
Advance to Staff	28.85	60.97
Service tax Receivable	192.11	235.86
Other Advances	1,665.27	1,255.34
<b>Total</b>	<b>2,413.45</b>	<b>2,035.80</b>

### NOTE NO. '16' OTHER CURRENT ASSETS

Interest Receivable	16.90	125.41
Prepaid Expenses	37.06	39.50
Tax Deducted At Source	15.90	20.24
<b>Total</b>	<b>69.86</b>	<b>185.15</b>

PARTICULARS	AS AT 31.03.2017 (₹.in Lakhs)	AS AT 31.03.2016 (₹.in Lakhs)
<b>NOTE NO. '17' REVENUE FROM OPERATIONS</b>		
<b>a) Net Revenue from Operations</b>		
<b>GROSS SALES</b>		
- Domestic	34,115.90	35,630.60
- Export	<u>17,167.26</u>	<u>21,993.57</u>
- Total	51,283.16	57,624.17
- Less: Excise Duty	<u>3,644.86</u>	<u>3,604.95</u>
- NET SALES	<u>47,638.30</u>	<u>54,019.22</u>
<b>b) Other Income from operations</b>		
i) Sale of Scrap	189.94	78.10
ii) Interest Received from Banks	61.41	78.98
iii) Interest Received from Others	97.70	121.42
iv) Interest Received on Income Tax Refund	-	1.32
v) Sale of Power	-	0.54
vi) Export Incentives	34.92	77.86
vii) Other Income	<u>67.11</u>	<u>36.22</u>
<b>Total</b>	<u>451.08</u>	<u>394.44</u>
<b>NOTE NO. '18' OTHER INCOME</b>		
Misc Income	<u>0.22</u>	<u>0.22</u>
<b>Total (₹.)</b>	<u>0.22</u>	<u>0.22</u>
<b>NOTE NO. '19' COST OF MATERIALS CONSUMED</b>		
Imported Raw Material	91.38% 27,496.02	92.14% 31,291.82
Indegenous Raw Material	8.62% <u>2,594.98</u>	7.86% <u>2,670.63</u>
<b>Total</b>	<u>100.00</u> <u>30,091.00</u>	<u>100.00</u> <u>33,962.45</u>
Value of Imports on CIF basis in respect:		
Raw Material	21,285.16	30,068.58
Components & Spares Parts	375.29	371.74
<b>NOTE NO. '20' PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of Goods Traded	1,323.01	1,634.21
<b>NOTE NO. '21' CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>Opening Stock</b>		
Finished Goods		
- Own Manufactured	1,991.96	3,386.94
- Trading	454.07	509.01
- Stocks in Process	901.68	1,007.55
<b>Total (₹.)</b>	<u>3,347.71</u>	<u>4,903.50</u>
<b>Closing Stock</b>		
Finished Goods		
- Own Manufactured	3,780.08	1,991.96
- Trading	635.34	454.07
- Stocks in Process	<u>1,222.76</u>	<u>901.68</u>
	<u>5,638.18</u>	<u>3,347.71</u>
(Increase)/Decrease in Stock	<u>(2,290.47)</u>	<u>1,555.79</u>

# INDIAN ACRYLICS LIMITED

PARTICULARS	AS AT 31.03.2017 (₹.in Lakhs)	AS AT 31.03.2016 (₹.in Lakhs)
<b>NOTE NO. '22' EMPLOYEE BENEFIT EXPENSES</b>		
<b>EMPLOYEE COST</b>		
Salary & Other Allowances	2,882.69	1,855.06
Contribution to PF & Other Funds	300.92	228.02
Staff Welfare	290.52	228.08
Staff Training & Recruitment	35.51	26.57
Gratuity	244.35	71.70
<b>Managerial Remuneration</b>		
Salary	77.60	73.35
Perquisites / Sitting Fee	40.79	40.28
Contribution towards Provident Fund	7.27	7.27
	<b>3,879.65</b>	<b>2,530.33</b>

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 subject to maximum of ₹10 Lakhs. And accumulation of EL is upto 60 days.

The following tables summarize the components of net benefit expense recognised in the statement of Profit and Loss 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)

#### a) Expenses recognised in Profit and Loss Account

Particulars	Earned Leave		Gratuity		₹ in Lakhs
	2016-2017	2016-2017	2015-2016	2015-2016	
Current service cost	74.39	65.14	14.25	36.78	
Interest cost on benefit obligation	6.26	33.05	5.79	32.09	
Expected Returns on plan assets	(1.39)	(7.69)	1.54	9.20	
Net actuarial (gain)/ loss recognised in the period	4.17	153.85	4.53	12.08	
Net benefit expenses recognised in the Profit and Loss a/c	83.42	244.35	23.03	71.75	

#### b) Details of Amount to be recognised in the Balancesheet

Present Value of obligations as on 31st March 2017	153.69	688.40	89.64	472.10
Fair Value of plan assets as on 31st March 2017	21.54	87.21	19.90	109.79
Funded status	(132.15)	(601.19)	(69.56)	(362.31)
Unrecognised actuarial (gains)/losses	-	-	-	-
Defined benefit obligation	(132.15)	(601.19)	(69.56)	(362.31)
Less: Unrecognised past service cost	-	-	-	-
Net asset/ (liability) recognised in the balance sheet	(132.15)	(601.19)	(69.56)	(362.31)

Note: The above plans are Funded.

#### c) Changes in present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	89.46	472.10	79.76	410.90
Interest cost	6.26	33.05	5.79	32.09
Past service cost	-	-	-	-
Current service cost	74.39	65.14	14.25	36.78
Benefit paid	(20.83)	(35.50)	14.85	19.48
Actuarial (gains)/ losses on obligation	4.42	153.62	4.52	11.80
Closing defined benefit obligation	153.69	688.40	89.46	472.10

#### d) Changes in the Fair Value of plan Assets

Fair Value of plan assets as at 1st April 2016	19.90	109.79	18.41	110.17
Acquisition adjustments	-	-	-	-
Expected returns on plan assets	1.39	7.69	1.54	9.20
Contributions	20.83	5.47	14.81	10.17
Benefit paid	(20.83)	(35.50)	14.85	19.48
Actuarial (gains)/ losses on plan assets	0.25	(0.23)	-	(0.27)
Fair Value of plan assets as at 31st March 2017	21.54	87.21	19.90	109.79

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

Discount rate	7.00	7.00	8.00	8.00
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 (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**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 2017 on CG-Secs of currency and term consistent with those of liability obligations.

PARTICULARS	ASAT 31.03.2017 (₹.in Lakhs)	ASAT 31.03.2016 (₹.in Lakhs)
<b>NOTE NO. '23' FINANCE COST</b>		
Interest Expenses	1,149.78	984.10
Other Borrowing Cost	349.59	275.31
Exchange Fluctuation	<u>61.75</u>	<u>499.77</u>
<b>Total (₹.)</b>	<b><u>1,561.12</u></b>	<b><u>1,759.18</u></b>
<b>NOTE NO. '24' OTHER EXPENSES</b>		
<b>1. MANUFACTURING COST</b>		
Power & Fuel	5,202.45	5,644.56
Repair & Maintenance	210.36	179.08
Stores ,Spares & Consumables	1,034.92	1,104.95
Factory Expenses	892.51	648.80
Other Manufacturing Expenses	<u>354.30</u>	<u>170.53</u>
	<b><u>7,694.54</u></b>	<b><u>7,747.93</u></b>
<b>2. ADMINISTRATIVE COST</b>		
Rent	227.52	169.88
Rates & Taxes	20.39	20.16
Auditors Remuneration		
Audit Fee including Tax Audit Fee	8.80	8.00
Certification Charges	2.20	2.00
Advertisements & Publicity	3.48	0.49
Insurance	62.97	57.24
Travelling Expenses - Foreign		
- Directors	47.36	35.78
- Others	46.31	51.77
Travelling Expenses - Inland		
- Directors	2.63	0.24
- Others	237.88	129.51
Miscellaneous Expenses	<u>657.08</u>	<u>433.59</u>
	<b><u>1,316.62</u></b>	<b><u>908.66</u></b>
<b>3. SELLING &amp; DISTRIBUTION EXPENSES</b>		
- Freight Outward	188.30	175.93
- Others	24.96	21.05
Export Expenses		
- Commission	190.16	149.29
- Freight Forwarding & Clearing Expenses	<u>631.90</u>	<u>891.29</u>
	<b><u>1,035.32</u></b>	<b><u>1,237.56</u></b>
<b>Total (1+2+3)</b>	<b><u>10,046.48</u></b>	<b><u>9,894.14</u></b>

Service tax has not been included in auditor remuneration being cenvatable.

**NOTE NO. '25' EXCEPTIONAL ITEMS**

Prior Period Adjustment	<u>16.28</u>	<u>1.00</u>
<b>Total (₹.)</b>	<b><u>16.28</u></b>	<b><u>1.00</u></b>

**NOTE NO. '26'**

**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, 2013.

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 / debottlenecking of plant are capitalised.

## INDIAN ACRYLICS LIMITED

iii) **Depreciation :**

Depreciation is provided as per rates specified in Schedule II of the Companies Act, 2013 as per details given below:

<b>S.No.</b>	<b>Name of Asset</b>	
1.	Building & Tubewell	SLM Basis
2.	Plant & Machinery (Modified Cotton)	SLM Basis
3.	Plant & Machinery	WDV Basis
4.	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 at cost or net realizable value, whichever is lower. The cost in respect of various items of inventories are computed as under:-

- a) In case of raw materials stores and spares at weighted average cost plus direct expenses.
- b) In case of work in process at raw material cost plus conversion expenses depending upon stage of completion.
- c) 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.
- d) 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 are 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 (Revised).

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 :

	<b>As at 31.03.2017 (₹ in Lakhs)</b>	<b>As at 31.03.2016 (₹ in Lakhs)</b>
a) Letters of Credit outstanding for Import of Raw materials / Spares	<b>2127.79</b>	2030.82
b) Claims against the Company / disputed liabilities not acknowledged as debts:		
i. In respect of Sales Tax Surcharge on exempted sales	<b>78.68</b>	78.68
ii. In respect of Excise Duty demand on account of valuations & cenvat credit disputes.	<b>115.69</b>	115.93



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.	<b>34.81</b>	34.80
iv. Others *	<b>673.00</b>	677.00

\*There was an Arbitration award dated 16.03.2002 of US\$ 10.22 Lakhs, approx ₹673 lakhs, (Previous Year ₹677 lakhs) 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. On the basis of legal advise the management is of the opinion that 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). **₹. 541.65 Lakhs**                      ₹. 2,135 Lakhs
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 lakhs.
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 26 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. **A) PRIMARY SEGMENT (BUSINESS SEGMENT)**

The Company has considered Business segment as the primary segment for disclosure on the basis that the risk and returns of the Company is primary determined by the nature and use of products. The company is manufacturing both acrylic fiber and yarn. In the current year sale revenue from yarn segment is more than 10% of the total revenue of the company and yarn segment assets are also more than 10% of the total assets of the company. As per the requirement of AS-17, segment information is as under:-

Particulars	FIBRE		YARN		ELIMINATIONS		TOTAL	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
<b>Revenue</b>								
External Sales	38096.39	53089.15	13186.77	4535.02			51283.16	57624.17
Inter-segment sales	8276.22	2322.63			-8276.22	-2322.63		
<b>Total Revenue</b>	<b>46372.61</b>	<b>55411.78</b>	<b>13186.77</b>	<b>4535.02</b>	<b>-8276.22</b>	<b>-2322.63</b>	<b>51283.16</b>	<b>57624.17</b>
<b>Result</b>								
Segment result	2458.40	3490.38	1362.13	321.15			3820.53	3811.53
Unallocated Corporate Expenses							-220.74	-191.23
<b>Operating Profits</b>							<b>3599.79</b>	<b>3620.30</b>

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Interest Expenses							-1561.08	-1759.18
Interest Income							159.11	200.40
Income Taxes							-	-
<b>Profit from ordinary activities</b>							<b>2197.82</b>	<b>2061.52</b>
Extraordinary Loss							-	-
<b>Net Profit</b>							<b>2197.82</b>	<b>2061.52</b>
<b>Other Information</b>								
Segment Assets	27688.91	26504.1	18273.96	10228.09			45962.87	36732.19
Unallocated corporate assets							-	-
<b>Total Assets</b>							<b>45962.87</b>	<b>36732.19</b>
Segment Liabilities	19215.67	19065.92	16991.07	10107.97			36206.74	29173.88
Unallocated corporate Liabilities							-	-
<b>Total Liabilities</b>	<b>19215.67</b>	<b>19065.92</b>	<b>16991.07</b>	<b>10107.97</b>			<b>36206.74</b>	<b>29173.88</b>
Capital Expenditure	929.35	411.08	4728.15	5407.27				
Depreciation	706.21	742.57	558.54	272.68				
Non-Cash expenses other than depreciation	-	-	-	-				

### B) SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)

Consequently, the geographical segment has been considered as the secondary segment. The analysis of geographical segment is based on the geographical location of the Customers. The company operates primarily in India and has presence in International markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and export markets as geographical segments and accordingly disclosed these as separate segments.

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Gross sale Revenue by Geographical Segment</b>		
Within India	<b>34,115.90</b>	35,630.60
Outside India	<b>17,167.26</b>	21,993.57
<b>Total</b>	<b>51,283.16</b>	57,624.17

8. The Net Deferred Tax asset of ₹1171.91 Lakhs as at 31.03.2017 (₹1589.98 lakhs as at 31.03.2016) 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 01.04.2016	For the year 2016-2017	(₹. in Lakhs) As at 31.03.2017
<b>Deferred Tax Assets being tax impact thereon</b>			
(i) Tax on unabsorbed losses and / or depreciation carried forward as per Income tax laws.	2572.66	(71.91)	<b>2500.75</b>
(ii) Tax on expenses charged in the books, but allowance deferred under Income tax laws	136.20	101.54	<b>237.74</b>
<b>Total :</b>	<b>2708.86</b>	<b>(29.63)</b>	<b>2738.49</b>
<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.	1118.88	447.70	1566.58
(ii) Others	-	-	-
Net Deferred Tax Asset	1589.98	(418.07)	1171.91

**9. EARNING PER SHARE (EPS)  
Basic/ Diluted Earning Per Share**

		Current Year (₹.in Lakhs) <b>2197.78</b>	Previous Year (₹.in Lakhs) 2061.53
Profit / (Loss) after tax as per profit & loss account			
Less : Dividend and tax thereon in respect of preference shares		-	-
Profit available for the shareholders	(A)	<b>2,197.78</b>	2,061.53
No. of equity shares	(B)	<b>13,53,22,162</b>	13,53,22,162
Earning / (Loss) per share (₹.) (basic & Diluted)	(A/B)	<b>1.62</b>	1.52
Nominal value per equity share		<b>₹.10.00</b>	₹.10.00

**Computation of weighted average number of equity shares outstanding during the period**

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

10. Managerial remuneration does not include contribution to Gratuity provision as separate figures are not available. Computation of net profit in accordance with section 198 of the Companies Act, 2013 has not been enumerated, as no commission is payable and remuneration has been paid as per provisions of schedule V of the Companies Act, 2013.

**11. 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	Key Management Personnel (KMP)	Enterprises over which KMP is able to exercise significant influence	Total for Current Year	(₹. in Lakhs) Total for Previous Year
Purchase of Fixed Assets	NIL	NIL	NIL	NIL
Purchase of goods (net)	NIL	NIL	NIL	NIL
Recoverable at end of the year	NIL	NIL	₹.3.17	₹.2.43
Services availed	NIL	₹.3.04	₹.3.04	₹.6.22
Civil Construction & Maintenance	NIL	₹.4.81	₹.4.81	₹.14.84
Lease Rent paid	NIL	₹.3.48	₹.3.48	₹.3.48
Hire Charges Paid	NIL	₹.48.29	₹.48.29	NIL
Management Contracts (Salaries)	₹.145.94	NIL	₹.145.94	₹.139.03
Remuneration paid to relatives of KMP during the year.			₹.2.70	₹.2.60
Amounts written off or written back in the period in respect of debts due from or to related parties.			NIL	NIL

## INDIAN ACRYLICS LIMITED

**Note:**

1. Subsidiary Company : Carlit Trading Europe S.L.U. (Spain)
2. Key Management Personnel : **Mr.R.K.Garg** **Mr.H.K.Singhal** **Mr.Dheeraj Garg**  
(Whole time Directors) Managing Director Finance Director Addl. Managing Director  
**Mr. Bhavnesh K. Gupta**  
Company Secretary

3. 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) Steel Strips Wheels Ltd
4. Relatives of the Key Management Personnel (with whom transactions have taken place):- Mr. Suresh 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.

**12. 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, 2016	431.87	39.12	-	97.27
Provision made during the year	301.47	169.69	-	32.73
Provision written off/ back during the period	-	39.12	-	-
Balance at March 31, 2017	733.34	169.69	-	130.00

13. The company has taken the Group Gratuity and Group Leave encashment policies from LIC/Birla Sunlife and entire premiums demanded by them for the year 2016-17 have been paid / provided for as per the requirements of revised **AS-15**.

**14. 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 ₹227.52 lakhs (previous year ₹169.88 lakhs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31<sup>st</sup> March 2017 are:

S.No. Particulars	As at 31.03.17	As at 31.03.16
a) not later than one year	<b>154.94</b>	89.10
b) later than one year but not later than five year	<b>266.77</b>	335.23
c) later than five year	-	-

15. 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 lakhs plus interest thereon amounting to US\$ 9.75 lakhs 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 lakhs and same has been treated as Income in the year 2012-13. The management of the company is confident of recovery of these claims.

16. Detail of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 as provided in the table below:

AMOUNT IN ₹			
	SBNs	OTHER DENOMINATION NOTES	TOTAL
CLOSING BALANCE ON 08.11.2016	85000	2319081	2404081
(+) PERMITTED RECEIPT	-	1980270	1980270
(-) PERMITTED PAYMENTS	-	3553537	3553537
(-) AMOUNT DEPOSITED IN BANK	85000	-	85000
CLOSING BALANCE ON 30.12.2016	-	745814	745814

17. The company has made an investment of ₹ 2.08 Lakh in 3000 shares of Euro 1 each in wholly owned subsidiary company name Carlit Trading Europe S.L.U. (Spain) on 23.03.2017.

18. **ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF PARAGRAPHS 5 (viii), OF PART II, SCHEDULE III, OF COMPANIES ACT, 2013.**

a)	Raw Material consumed	CURRENT YEAR		PREVIOUS YEAR	
		Qty.(MT)	Value (₹.in Lakhs)	Qty.(MT)	Value (₹.in Lakhs)
i)	Acrylonitrile	31216	24932.47	36163	28371.07
ii)	Dimethyl Formamide	1371	716.46	1481	852.38
iii)	Methyl Acrylate	151	190.98	85	110.74
iv)	V.A.M	2148	1261.75	2563	1691.96
	Others	-	2989.34	-	2936.30
b)	<b>CIF Value of imported goods</b>				
a)	Raw Material		21285.16		30068.58
b)	Components & Spare parts		375.29		371.74
c)	<b>Consumption of Raw-Materials &amp; Stores and spares</b>				
i)	Raw Material	%age	(₹ in Lakhs)	%age	(₹ in Lakhs)
a)	Indigenous	8.62	2594.98	7.86	2670.63
b)	Imported	91.38	27496.02	92.14	31291.82
ii)	<b>Store and Spares</b>				
a)	Indigenous	74.44	770.38	70.42	778.11
b)	Imported	25.56	264.54	29.58	326.84
d)	<b>Expenditure in Foreign Currency</b>		<b>Current Year</b>		<b>Previous Year</b>
a)	Directors Travelling		39.41		27.90
b)	Staff Travelling		35.27		41.05
e)	<b>Earnings in Foreign Exchange</b>		16644.46		21975.59
f)	<b>F.O.B Value of Export</b>		16644.46		21975.59
g)	<b>Expenditure on Employees</b>				
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		1		1
	- Salaries and Allowances (₹.in Lakhs)		100.04		96.73
	- Contribution to Provident & Other Fund (₹. in Lakhs)		6.12		6.12
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.		None		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)

Place : CHANDIGARH  
Dated : 30.05.2017

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

**S.K. SINGLA**  
**B.B. TANDON**  
**A.S.CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors  
**B.K. GUPTA**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Indian Acrylics Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Indian Acrylics Limited, (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated cash flow statement for the year ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statement

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance of the Company and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Group; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of the Carlit Trading Europe S.L.U. (Spain) subsidiary, whose financial statements reflect total assets of ₹34.30 lacs as at 31<sup>st</sup> March 2017, total revenues ₹ Nil and net cash flows amounting to ₹7.37 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the unaudited financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that

- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.
- In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- on the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group company is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure A;
- with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - the Group does not have any pending litigations which would impact the consolidated financial position of the Group.
  - the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiary company.
  - the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 which are in accordance with the books of accounts maintained by the company.

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

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

Place : Chandigarh  
Date : 30.05.2017

**ANNEXURE A to Independent Auditor's Report- 31<sup>st</sup> March 2017 on the Consolidated Financial Statements (Referred to in our Report of even date)**

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

1. In conjunction with our audit of the consolidated financial statements of Indian Acrylics Limited ("the Holding Company") as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated outside India as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Holding Company's and its subsidiary company's incorporated outside India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risks that material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary company's incorporated outside India, internal financial controls system over financial reporting.

**Meaning of Internal financial controls over financial reporting**

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1.) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (2.) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company ; and (3.) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitation of Internal financial controls over financial reporting**

7. Because of the Inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management over-ride of controls, material misstatements due to error or fraud may occur and not be detected. Also, projection of any evaluations of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Holding Company and its subsidiary company incorporated outside India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2017 based on the internal financial controls over financial reporting criteria established by the Holding Company and its subsidiary company incorporated outside India, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**S.C. Dewan**

Partner

Place : Chandigarh

Date : 30.05.2017

M.No.: 015678

# INDIAN ACRYLICS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

PARTICULARS	NOTE NO.	AS AT 31/03/2017 (₹ in Lakhs)	AS AT 31/03/2016 (₹ in Lakhs)
<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	<u>(3,776.73)</u>	<u>(5,973.91)</u>
<b>Total (1)</b>		<u>9,755.49</u>	<u>7,558.31</u>
<b>(2) Share application money pending allotment</b>			
-			
<b>(3) Non- Current Liabilities</b>			
(a) Long-Term borrowings	3	5,838.61	1809.31
(b) Deferred Tax Liabilities (Net)	-	-	-
(c) Other Long Term Liabilities	4	6,095.08	4,906.74
(d) Long Term Provisions	5	<u>679.70</u>	<u>380.03</u>
<b>Total (3)</b>		<u>12,613.39</u>	<u>7,096.08</u>
<b>(4) Current Liabilities</b>			
(a) Short-Term borrowings	6	1,533.00	1,884.33
(b) Trade payable	7	15,219.13	14,074.57
(c) Other Current Liabilities	8	2,719.30	1,933.36
(d) Short-Term Provisions	9	<u>353.34</u>	<u>188.23</u>
<b>Total (4)</b>		<u>19,824.76</u>	<u>18,080.49</u>
<b>Total (1 to 4)</b>		<u>42,193.64</u>	<u>32,734.88</u>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	19,330.43	9,609.63
(ii) Intangible assets	-	-	-
(iii) Capital work-in progress	10	<u>269.82</u>	<u>5,597.86</u>
<b>Total (a)</b>		<u>19,600.25</u>	<u>15,207.49</u>
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans and Advances (Security Deposits)		151.22	123.80
(e) Other Non-Current assets		-	-
<b>Total (1)</b>		<u>19,751.47</u>	<u>15,331.29</u>
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	11	12,531.41	10,084.30
(c) Trade Receivables	12	4,828.41	2,863.44
(d) Cash and cash equivalents	13	2,604.37	2,234.90
(e) Short-Term Loans and Advances	14	2,406.05	2,035.80
(f) Other Current Assets	15	<u>71.93</u>	<u>185.15</u>
<b>Total (2)</b>		<u>22,442.17</u>	<u>17,403.59</u>
<b>Total (1+2)</b>		<u>42,193.64</u>	<u>32,734.88</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
	25		

See accompanying notes to the Consolidated 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.K. SINGLA**  
**B.B. TANDON**  
**A.S.CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors

Place : CHANDIGARH  
Dated : 30.05.2017

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

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

**B.K. GUPTA**  
Company Secretary



## CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

PARTICULARS	NOTE NO.	AS AT 31/03/2017 (₹. in Lakhs)	AS AT 31/03/2016 (₹. in Lakhs)
I. Revenue from Operations			
Gross Revenue from Operations	16	51,258.31	57,624.17
Less: Excise Duty	16	3,644.86	3,604.95
a) Net Revenue from Operations	16	47,613.45	54,019.22
b) Other Income from Operations	16	451.08	394.44
II. Other Income	17	0.22	0.22
<b>III Total Revenue (I+II)</b>		<b>48,064.75</b>	<b>54,413.88</b>
IV. Expenses:			
Cost of Materials Consumed	18	30,091.00	33,962.45
Purchase of Stock-in-Trade	19	1,323.01	1,634.21
Change in Inventories of Finished Goods, work-in-Progress and Stock-in-Trade	20	(2,315.33)	1,555.79
Employee benefit Expense	21	3,880.20	2,530.33
Finance Costs	22	1,561.12	1,759.18
Depreciation and amortization expense	10	1,264.75	1,015.25
Other Expenses	23	10,046.53	9,894.14
<b>Total Expenses</b>		<b>45,851.29</b>	<b>52,351.35</b>
V. Profit / (Loss) before exceptional and Extraordinary Items and Tax (III - IV)		<b>2,213.46</b>	2,062.52
VI. Exceptional Items	24	16.28	1.00
VII. Profit / (Loss) before Extraordinary Items (V-VI)		<b>2,197.18</b>	2,061.52
VIII. Extra ordinary Items		-	-
IX. Profit / (Loss) before Tax (VII - VIII)		<b>2,197.18</b>	2,061.52
X. Tax Expense:			
Income Tax (MAT)		-	-
XI. Profit / (Loss) from the period from continuing operations (IX - X)		<b>2,197.18</b>	2,061.52
Earning per share - Basic and Diluted (₹.)		1.62	1.52
(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 Consolidated 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

**S.K. SINGLA**  
**B.B. TANDON**  
**A.S.CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors  
**B.K. GUPTA**  
Company Secretary

Place : CHANDIGARH  
Dated : 30.05.2017

## INDIAN ACRYLICS LIMITED

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	(₹. in Lakhs) CURRENT YEAR	(₹. in Lakhs) PREVIOUS YEAR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	2,213.46	2,062.53
ADJUSTMENT FOR :		
i) ADD: DEPRECIATION	1,264.74	1,015.25
ii) ADD: INTEREST & FINANCIAL CHARGES EXPENSES	1,561.12	1,759.18
LESS: INCOME TAX (MAT)	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,039.33	4,836.96
ADJUSTMENTS FOR :		
TRADE AND OTHER RECEIVABLES	(2,249.42)	(901.48)
INVENTORIES	(2,447.11)	(233.89)
TRADE PAYABLES / CURRENT LIABILITIES	1,144.65	872.80
CASH GENERATED FROM OPERATIONS	1,487.54	4,574.39
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
EXTRAORDINARY ITEMS / PRIOR PERIOD ADJUSTMENT	(16.28)	(1.00)
NET CASH FROM OPERATING ACTIVITIES	1,471.17	4,573.38
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
PURCHASE OF FIXED ASSETS	(5,657.61)	(5,818.34)
SALE OF FIXED ASSETS	0.10	-
NET CASH USED IN INVESTING ACTIVITIES	(5,657.51)	(5,818.34)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
INTEREST & FINANCIAL CHARGES PAID	(1,561.12)	(1,759.18)
TERM LOANS RECEIVED	5,268.52	2,360.00
TERM LOANS REPAYMENTS	(339.94)	(236.01)
UNSECURED LOAN (INTER CORPORATE LOANS) PAID/(RECEIVED)	1,188.34	1,906.47
NET CASH FROM FINANCING ACTIVITIES	4,555.80	2,271.28
<b>D. NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>		
CASH AND BANK BALANCES (OPENING BALANCE)	2,234.90	1,208.58
CASH AND BANK BALANCES (CLOSING BALANCE)	2,604.37	2,234.90

#### AUDITORS' REPORT

We have verified the attached Consolidated 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, 2017 and found the same in agreement therewith.

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

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

Place : CHANDIGARH  
Dated : 30.05.2017

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

**S.K. SINGLA**  
**B.B. TANDON**  
**A.S.CHATHA**  
**M.M. CHOPRA**  
**TEJINDER KAUR**  
Directors  
**B.K. GUPTA**  
Company Secretary

**NOTES FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2017**

PARTICULARS	AS AT	
	31.03.2017 (₹.in Lakhs)	31.03.2016 (₹.in Lakhs)

**NOTE NO. '1' SHARE CAPITAL  
AUTHORISED**

1500 Lac (Previous Year 1500 Lakhs) Equity Shares of ₹. 10/- each	<b>15,000.00</b>	15,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b> 135322162 Equity Shares of ₹.10/- each fully paid up. (Previous year 135322162)	<b>13,532.22</b>	13,532.22
<b>Total (₹.)</b>	<b>13,532.22</b>	13,532.22

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

1. SHRI DHEERAJ GARG	<b>1,88,16,398</b>	<b>13.90</b>	1,72,95,154	12.78
2. SAB INDUSTRIES LTD	<b>1,47,93,772</b>	<b>10.93</b>	1,47,93,772	10.93
3. SAB UDYOG LTD	<b>1,68,80,646</b>	<b>12.47</b>	1,68,80,646	12.47
4. PSIDC LTD	<b>1,83,30,000</b>	<b>13.55</b>	1,83,30,000	13.55

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

1. Capital Reserves	<b>1,764.44</b>	1,764.44
2. Securities Premium Reserves	<b>39.23</b>	39.23
3. Other - General Reserves	<b>80.00</b>	80.00
4. Debit balance of Profit & Loss Account		
- Opening Balance	<b>(7,857.59)</b>	(9,919.12)
- Add: Profit for the year	<b>2,197.18</b>	2,061.52
<b>Total</b>	<b>(5,660.41)</b>	(7,857.59)
<b>Total (₹)</b>	<b>(3,776.73)</b>	(5,973.91)

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

	Non Current	Current	Non Current	Current
Term Loan				
- From Banks	<b>5,838.61</b>	1,239.25	<b>1,809.31</b>	339.96
- From other parties	-	-	-	-
<b>Total</b>	<b>5,838.61</b>	1,239.25	<b>1,809.31</b>	339.96

Repayment Schedule Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Repayment (₹ in Lakhs)	1153.82	1153.82	1153.82	1153.82	903.82

The Term Loans from banks amounting to ₹ 7077.86 Lakhs (Previous Year ₹ 2149.27 Lakhs) are secured by mortgage created on all the immovable assets of the Company, hypothecation of all the moveable assets including moveable machinery, machinery parts, tools and accessories and other moveables, (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' OTHER LONG TERM LIABILITIES**

Inter Corporate Loan (Promoter Assisted)	<b>6,095.08</b>	4,906.74
<b>Total</b>	<b>6,095.08</b>	4,906.74

**NOTE NO. '5' LONG TERM PROVISIONS**

Provisions for Gratuity & Earned Leaves	<b>679.70</b>	380.03
<b>Total</b>	<b>679.70</b>	380.03

## INDIAN ACRYLICS LIMITED

PARTICULARS	ASAT 31.03.2017 (₹.in Lakhs)	ASAT 31.03.2016 (₹.in Lakhs)
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### NOTE NO. '6' SHORT TERM BORROWING

#### Secured Loans

Loans Repayable on demand (from banks)	1,533.00	1,884.33
	<b>1,533.00</b>	<b>1,884.33</b>

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.

### NOTE NO. '7' TRADE PAYABLES

- For Purchases - Micro & Small Enterprises #	122.23	134.01
- Others	13,759.20	12,733.75
- Capital Goods	1,337.70	1,206.81
<b>Total</b>	<b>15,219.13</b>	<b>14,074.57</b>

# 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	122.23	134.01
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 remaining due and payable in succeeding years	-	-

### NOTE NO. '8' OTHER CURRENT LIABILITIES

1) Current Maturity of Long Term debt *	1,239.25	339.96
2) Cheques Issued But Not Yet Presented for Payment	573.12	146.38
3) Trade Advance	183.96	939.89
4) Other Payables **	722.97	507.13
<b>Total</b>	<b>2,719.30</b>	<b>1,933.36</b>

\* Details are given in Note No.3.

\*\* Includes statutory dues.

### NOTE NO. '9' SHORT TERM PROVISIONS

Provisions for Gratuity & Earned Leaves	53.64	51.84
Provisions for Excise Duty on Finished Goods	169.69	39.12
Provisions for Bonus	53.66	48.34
Provision for Others	76.35	48.93
<b>Total</b>	<b>353.34</b>	<b>188.23</b>

**NOTE NO. '10' FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost As At 01.04.2016 (₹.in Lakhs)	Additions (₹.in Lakhs)	Sale and Adjustment (₹.in Lakhs)	Cost As At 31.03.2017 (₹.in Lakhs)	Upto 01.04.2016 (₹.in Lakhs)	Retained Earning (₹.in Lakhs)	For the year (₹.in Lakhs)	Upto 31.03.2017 (₹.in Lakhs)	As At 31.03.2017 (₹.in Lakhs)	As At 01.04.2016 (₹.in Lakhs)
a) Land	264.17	-	-	264.17	-	-	-	-	264.17	264.17
b) Building	7,644.04	2,775.58	-	10,419.62	3,816.81	-	219.79	4,036.59	6,383.03	3,827.24
c) Plant & Equipments	36,119.80	8,035.05	-	44,154.85	30,695.91	-	985.60	31,681.51	12,473.34	5,423.88
d) Furniture / Fixture	222.09	33.29	-	255.38	191.86	-	11.40	203.26	52.12	30.23
e) Vehicles	236.83	90.39	0.10	327.11	200.76	-	24.06	224.82	102.30	36.07
f) Office Equipment	296.51	51.35	-	347.86	268.48	-	23.90	292.38	55.47	28.03
<b>Total (₹.)</b>	44,783.44	10,985.65	0.10	55,768.99	35,173.81	-	1,264.75	36,438.56	19,330.43	9,609.62
Previous Year	44,318.25	465.18	-	44,783.44	34,158.57	-	1,015.25	35,173.81	9,609.62	10,159.69

**CAPITAL WORK IN PROGRESS**

	As At 31.03.2017 (₹.in Lakhs)	As At 01.04.2016 (₹.in Lakhs)
Advance to Capital Goods Suppliers	135.94	697.59
Building/Plant & Machinery Under Erection/Installation	133.88	4,900.27
<b>Total (₹.)</b>	<b>269.82</b>	<b>5,597.86</b>

1) Depreciation is provided as per rates specified in Schedule II of the Companies Act, 2013 as per details given below:

- |       |   |           |
|-------|---|-----------|
| S.No. | Name of Asset   | SLM Basis |
| i)    | Building & Tubwell  | SLM Basis |
| ii)   | Plant & Machinery (Modified Cotton)                                       | WDV Basis |
| iii)  | Plant & Machinery   | WDV Basis |
|       | (for current year has been provided for 333 days (Previous Year 351 days) |           |
| iv)   | Other Assets (Vehicles, Furniture & Fixture)                              | WDV Basis |

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

## INDIAN ACRYLICS LIMITED

PARTICULARS	AS AT 31.03.2017 (₹.in Lakhs)	AS AT 31.03.2016 (₹.in Lakhs)
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### NOTE NO. '11' INVENTORIES

(As taken valued and certified by the Management)

1. Raw Materials	5732.24	5686.33
2. Work in Progress	1,222.76	901.68
3. Finished Goods	3,780.08	1991.96
4. Stock in trade	660.19	454.07
5. Stores and Spares	1136.14	1050.26
<b>Total (₹.)</b>	<b><u>12,531.41</u></b>	<b><u>10,084.30</u></b>

- 1 Raw Materials Stores and Spares at weighted average cost plus direct expenses.
- 2 Work in Process at raw material cost plus conversion expenses depending upon stage of completion.
- 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.
- 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.

### NOTE NO. '12' TRADE RECEIVABLE

(Unsecured and considered good unless otherwise stated) Outstanding for a period exceeding six months

Less: Provision for bad & doubtful debts	168.67	119.09
	<u>-</u>	<u>-</u>
	168.67	119.09
Others - Considered good	4,659.74	2744.35
<b>Total (₹.)</b>	<b><u>4,828.41</u></b>	<b><u>2,863.44</u></b>

Trade receivable include a sum of ₹3.17 Lakh (Previous year ₹2.43 Lakh), maximum during the year ₹3.17 Lakh (Previous year ₹2.43 Lakh) receivable from Indlon Chemicals Ltd.

### NOTE NO. '13' CASH & CASH EQUIVALENTS

Cash-in-Hand	7.79	29.59
Cheques and Drafts in Hand pending Collection	1,297.66	1,431.74

#### Balance with Banks

In current account	268.76	26.05
Fixed Deposit Receipts (Under bank lien)	1,030.16	747.52
<b>Total</b>	<b><u>2,604.37</u></b>	<b><u>2,234.90</u></b>

### NOTE NO. '14' SHORT TERM LOANS & ADVANCES

(Unsecured considered good)

(a) Loan and advances to related parties	-	-
(b) Other Loan & advances:		
Cenvat Balance	206.24	241.16
Advance to Suppliers	313.58	242.47
Advance to Staff	28.85	60.97
Service tax Receivable	192.11	235.86
Other Advances	1,665.27	1,255.34
<b>Total</b>	<b><u>2,406.05</u></b>	<b><u>2,035.80</u></b>

### NOTE NO. '15' OTHER CURRENT ASSETS

Interest Receivable	16.90	125.41
Prepaid Expenses	37.06	39.50
Tax Deducted At Source	15.90	20.24
Preliminary Expenses	2.08	-
<b>Total</b>	<b><u>71.93</u></b>	<b><u>185.15</u></b>

PARTICULARS	AS AT 31.03.2017 (₹.in Lakhs)	AS AT 31.03.2016 (₹.in Lakhs)
<b>NOTE NO. '16' REVENUE FROM OPERATIONS</b>		
<b>a) Net Revenue from Operations</b>		
<b>GROSS SALES</b>		
- Domestic	34,115.90	35,630.60
- Export	<u>17,142.40</u>	<u>21,993.57</u>
- Total	51,258.31	57,624.17
- Less: Excise Duty	<u>3,644.86</u>	<u>3,604.95</u>
- NET SALES	<u>47,613.45</u>	<u>54,019.22</u>
<b>b) Other Income from operations</b>		
i) Sale of Scrap	189.94	78.10
ii) Interest Received from Banks	61.41	78.98
iii) Interest Received from Others	97.70	121.42
iv) Interest Received on Income Tax Refund	-	1.32
v) Sale of Power	-	0.54
vi) Export Incentives	34.92	77.86
vii) Other Income	<u>67.11</u>	<u>36.22</u>
<b>Total</b>	<u>451.08</u>	<u>394.44</u>
<b>NOTE NO. '17' OTHER INCOME</b>		
Misc Income	<u>0.22</u>	<u>0.22</u>
<b>Total (₹.)</b>	<u>0.22</u>	<u>0.22</u>
<b>NOTE NO. '18' COST OF MATERIALS CONSUMED</b>		
Imported Raw Material	91.38%    27,496.02	92.14%    31,291.82
Indegenous Raw Material	8.62% <u>2,594.98</u>	7.86% <u>2,670.63</u>
<b>Total</b>	<u>100.00</u> <u>30,091.00</u>	<u>100.00</u> <u>33,962.45</u>
Value of Imports on CIF basis in respect:		
Raw Material	21,285.16	30,068.58
Components & Spares Parts	375.29	371.74
<b>NOTE NO. '19' PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of Goods Traded	1,323.01	1,634.21
<b>NOTE NO. '20' CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
<b>Opening Stock</b>		
Finished Goods		
- Own Manufactured	1,991.96	3,386.94
- Trading	454.07	509.01
- Stocks in Process	901.68	1,007.55
<b>Total (₹.)</b>	<u>3,347.71</u>	<u>4,903.50</u>
<b>Closing Stock</b>		
Finished Goods		
- Own Manufactured	3,780.08	1,991.96
- Trading	660.19	454.07
- Stocks in Process	<u>1,222.76</u>	<u>901.68</u>
	<u>5,663.04</u>	<u>3,347.71</u>
(Increase)/Decrease in Stock	<u>(2,315.33)</u>	<u>1,555.79</u>

# INDIAN ACRYLICS LIMITED

PARTICULARS	AS AT 31.03.2017 (₹.in Lakhs)	AS AT 31.03.2016 (₹.in Lakhs)
<b>NOTE NO. '21' EMPLOYEE BENEFIT EXPENSES</b>		
<b>EMPLOYEE COST</b>		
Salary & Other Allowances	2,883.24	1,855.06
Contribution to PF & Other Funds	300.92	228.02
Staff Welfare	290.52	228.08
Staff Training & Recruitment	35.51	26.57
Gratuity	244.35	71.70
<b>Managerial Remuneration</b>		
Salary	77.60	73.35
Perquisites / Sitting Fee	40.79	40.28
Contribution towards Provident Fund	7.27	7.27
	<u>3,880.20</u>	<u>2,530.33</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 subject to maximum of ₹10 Lakhs. And accumulation of EL is upto 60 days.

The following tables summarize the components of net benefit expense recognised in the statement of Profit and Loss 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)

#### a) Expenses recognised in Profit and Loss Account

Particulars	Earned Leave		Gratuity	
	2016-2017	2016-2017	2015-2016	2015-2016
Current service cost	74.39	65.14	14.25	36.78
Interest cost on benefit obligation	6.26	33.05	5.79	32.09
Expected Returns on plan assets	(1.39)	(7.69)	1.54	9.20
Net actuarial (gain)/ loss recognised in the period	4.17	153.85	4.53	12.08
Net benefit expenses recognised in the Profit and Loss a/c	83.42	244.35	23.03	71.75

#### b) Details of Amount to be recognised in the Balancesheet

Particulars	Earned Leave		Gratuity	
	2016-2017	2016-2017	2015-2016	2015-2016
Present Value of obligations as on 31st March 2017	153.69	688.40	89.64	472.10
Fair Value of plan assets as on 31st March 2017	21.54	87.21	19.90	109.79
Funded status	(132.15)	(601.19)	(69.56)	(362.31)
Unrecognised actuarial (gains)/losses	-	-	-	-
Defined benefit obligation	(132.15)	(601.19)	(69.56)	(362.31)
Less: Unrecognised past service cost	-	-	-	-
Net asset/ (liability) recognised in the balance sheet	(132.15)	(601.19)	(69.56)	(362.31)

Note: The above plans are Funded.

#### c) Changes in present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	89.46	472.10	79.76	410.90
Interest cost	6.26	33.05	5.79	32.09
Past service cost	-	-	-	-
Current service cost	74.39	65.14	14.25	36.78
Benefit paid	(20.83)	(35.50)	14.85	19.48
Actuarial (gains)/ losses on obligation	4.42	153.62	4.52	11.80
Closing defined benefit obligation	153.69	688.40	89.46	472.10

#### d) Changes in the Fair Value of plan Assets

Fair Value of plan assets as at 1st April 2016	19.90	109.79	18.41	110.17
Acquisition adjustments	-	-	-	-
Expected returns on plan assets	1.39	7.69	1.54	9.20
Contributions	20.83	5.47	14.81	10.17
Benefit paid	(20.83)	(35.50)	14.85	19.48
Actuarial (gains)/ losses on plan assets	0.25	(0.23)	-	(0.27)
Fair Value of plan assets as at 31st March 2017	21.54	87.21	19.90	109.79

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

Discount rate	7.00	7.00	8.00	8.00
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 (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**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 2017 on CG-Secs of currency and term consistent with those of liability obligations.



PARTICULARS	ASAT 31.03.2017 (₹.in Lakhs)	ASAT 31.03.2016 (₹.in Lakhs)
<b>NOTE NO. '22' FINANCE COST</b>		
Interest Expenses	1,149.78	984.10
Other Borrowing Cost	349.59	275.31
Exchange Fluctuation	<u>61.75</u>	<u>499.77</u>
<b>Total (₹.)</b>	<b><u>1,561.12</u></b>	<b><u>1,759.18</u></b>
<b>NOTE NO. '23' OTHER EXPENSES</b>		
<b>1. MANUFACTURING COST</b>		
Power & Fuel	5,202.45	5,644.56
Repair & Maintenance	210.36	179.08
Stores ,Spares & Consumables	1,034.92	1,104.95
Factory Expenses	892.51	648.80
Other Manufacturing Expenses	<u>354.30</u>	<u>170.53</u>
	<b><u>7,694.54</u></b>	<b><u>7,747.93</u></b>
<b>2. ADMINISTRATIVE COST</b>		
Rent	227.52	169.88
Rates & Taxes	20.39	20.16
Auditors Remuneration		
Audit Fee including Tax Audit Fee	8.80	8.00
Certification Charges	2.20	2.00
Advertisements & Publicity	3.48	0.49
Insurance	62.97	57.24
Travelling Expenses - Foreign		
- Directors	47.36	35.78
- Others	46.31	51.77
Travelling Expenses - Inland		
- Directors	2.63	0.24
- Others	237.88	129.51
Miscellaneous Expenses	<u>657.12</u>	<u>433.59</u>
	<b><u>1,316.67</u></b>	<b><u>908.66</u></b>
<b>3. SELLING &amp; DISTRIBUTION EXPENSES</b>		
- Freight Outward	188.30	175.93
- Others	24.96	21.05
Export Expenses		
- Commission	190.16	149.29
- Freight Forwarding & Clearing Expenses	<u>631.90</u>	<u>891.29</u>
	<b><u>1,035.32</u></b>	<b><u>1,237.56</u></b>
<b>Total (1+2+3)</b>	<b><u>10,046.53</u></b>	<b><u>9,894.14</u></b>

Service tax has not been included in auditor remuneration being cenvatable.

**NOTE NO. '24' EXCEPTIONAL ITEMS**

Prior Period Adjustment	<u>16.28</u>	<u>1.00</u>
<b>Total (₹.)</b>	<b><u>16.28</u></b>	<b><u>1.00</u></b>

**NOTE NO. '25'**

**NOTE ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES :**

**(i) BASIS OF PREPARATION**

The consolidated financial statements comprise the financial statements of Indian Acrylics Limited and its Subsidiary Carlit Trading Europe S.L.U. (Spain). The consolidated financial statements are prepared under the historical cost convention, on accrual basis of accounting. The accounting policies have been consistently applied by the Group; and the accounting policies not referred to otherwise, fare in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

**(ii) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements of the Group are prepared in accordance with **AS-21**- 'Accounting For

## INDIAN ACRYLICS LIMITED

Consolidated Financial Statements' as notified by the Rules. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its independent financial statements. In respect of Subsidiary company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transaction balances and intra group transaction. All asset and liabilities are converted at the rate prevailing at the end of the year.

iii) **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 / debottlenecking of plant are capitalised.

iv) **Depreciation :**

Depreciation is provided as per rates specified in Schedule II of the Companies Act, 2013 as per details given below:

S.No.	Name of Asset	
1.	Building & Tubewell	SLM Basis
2.	Plant & Machinery (Modified Cotton)	SLM Basis
3.	Plant & Machinery	WDV Basis
4.	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.

v) **Inventories :**

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of various items of inventories are computed as under:-

- a) In case of raw materials stores and spares at weighted average cost plus direct expenses.
- b) In case of work in process at raw material cost plus conversion expenses depending upon stage of completion.
- c) 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.
- d) 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.

vi) **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.

vii) **Interest :**

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

viii) **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.

ix) **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.

x) **Foreign Exchange Fluctuations :**

- a) Foreign currency assets / liabilities are 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 (Revised).

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 :

	As at 31.03.2017 (₹.in Lakhs)	As at 31.03.2016 (₹.in Lakhs)
a) Letters of Credit outstanding for Import of Raw materials / Spares	2127.79	2030.82

b) Claims against the Company / disputed liabilities not acknowledged as debts:		
i. In respect of Sales Tax Surcharge on exempted sales	<b>78.68</b>	78.68
ii. In respect of Excise Duty demand on account of valuations & cenvat credit disputes.	<b>115.69</b>	115.93
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.	<b>34.81</b>	34.80
iv. Others *	<b>673.00</b>	677.00

\*There was an Arbitration award dated 16.03.2002 of US\$ 10.22 Lakhs, approx ₹673 lakhs, (Previous Year ₹677 lakhs) 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. On the basis of legal advise the management is of the opinion that 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).	<b>₹. 541.65 Lakhs</b>	₹. 2,135 Lakhs
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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 lakhs.
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 25 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. **A) PRIMARY SEGMENT (BUSINESS SEGMENT)**

The Company has considered Business segment as the primary segment for disclosure on the basis that the risk and returns of the Company is primary determined by the nature and use of products. The company is manufacturing both acrylic fiber and yarn. In the current year sale revenue from yarn segment is more than 10% of the total revenue of the company and yarn segment assets are also more than 10% of the total assets of the company. As per the requirement of AS-17, segment information is as under:-

Particulars	FIBRE		YARN		ELIMINATIONS		TOTAL	
	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
<b>Revenue</b>								
External Sales	38096.39	53089.15	13186.77	4535.02			51283.16	57624.17
Inter-segment sales	8276.22	2322.63			-8276.22	-2322.63		
<b>Total Revenue</b>	<b>46372.61</b>	<b>55411.78</b>	<b>13186.77</b>	<b>4535.02</b>	<b>-8276.22</b>	<b>-2322.63</b>	<b>51283.16</b>	<b>57624.17</b>
<b>Result</b>								
Segment result	2458.40	3490.38	1362.13	321.15			3820.53	3811.53
Unallocated Corporate Expenses							-220.74	-191.23
<b>Operating Profits</b>							<b>3599.79</b>	<b>3620.30</b>

## INDIAN ACRYLICS LIMITED

Interest Expenses							-1561.08	-1759.18
Interest Income							159.11	200.40
Income Taxes							-	-
<b>Profit from ordinary activities</b>							<b>2197.82</b>	<b>2061.52</b>
Extraordinary Loss							-	-
<b>Net Profit</b>							<b>2197.82</b>	<b>2061.52</b>
<b>Other Information</b>								
Segment Assets	27688.91	26504.1	18273.96	10228.09			45962.87	36732.19
Unallocated corporate assets							-	-
<b>Total Assets</b>							<b>45962.87</b>	<b>36732.19</b>
Segment Liabilities	19215.67	19065.92	16991.07	10107.97			36206.74	29173.88
Unallocated corporate Liabilities							-	-
<b>Total Liabilities</b>	<b>19215.67</b>	<b>19065.92</b>	<b>16991.07</b>	<b>10107.97</b>			<b>36206.74</b>	<b>29173.88</b>
Capital Expenditure	929.35	411.08	4728.15	5407.27				
Depreciation	706.21	742.57	558.54	272.68				
Non-Cash expenses other than depreciation	-	-	-	-				

### B) SECONDARY SEGMENT (GEOGRAPHICAL SEGMENT)

Consequently, the geographical segment has been considered as the secondary segment. The analysis of geographical segment is based on the geographical location of the Customers. The company operates primarily in India and has presence in International markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and export markets as geographical segments and accordingly disclosed these as separate segments.

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Gross sale Revenue by Geographical Segment</b>		
Within India	<b>34,115.90</b>	35,630.60
Outside India	<b>17,167.26</b>	<u>21,993.57</u>
<b>Total</b>	<b>51,283.16</b>	<u>57,624.17</u>

8. The Net Deferred Tax asset of ₹1171.91 Lakhs as at 31.03.2017 (₹1589.98 lakhs as at 31.03.2016) 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 01.04.2016	For the year 2016-2017	(₹. in Lakhs) As at 31.03.2017
<b>Deferred Tax Assets being tax impact thereon</b>			
(i) Tax on unabsorbed losses and / or depreciation carried forward as per Income tax laws.	2572.66	(71.91)	<b>2500.75</b>
(ii) Tax on expenses charged in the books, but allowance deferred under Income tax laws	136.20	101.54	<b>237.74</b>
<b>Total :</b>	<b>2708.86</b>	<b>(29.63)</b>	<b>2738.49</b>
<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.	1118.88	447.70	1566.58
(ii) Others	-	-	-
Net Deferred Tax Asset	1589.98	(418.07)	1171.91

**9. EARNING PER SHARE (EPS)  
Basic/ Diluted Earning Per Share**

		Current Year (₹.in Lakhs)	Previous Year (₹.in Lakhs)
Profit / (Loss) after tax as per profit & loss account		<b>2197.78</b>	2061.53
Less : Dividend and tax thereon in respect of preference shares		-	-
Profit available for the shareholders	(A)	<b>2,197.78</b>	2,061.53
No. of equity shares	(B)	<b>13,53,22,162</b>	13,53,22,162
Earning / (Loss) per share (₹.) (basic & Diluted)	(A/B)	<b>1.62</b>	1.52
Nominal value per equity share		<b>₹.10.00</b>	₹.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	<b>13,53,22,162</b>	13,53,22,162
Total number of equity shares outstanding as at the end of the year.	<b>13,53,22,162</b>	13,53,22,162
Weighted average number of equity shares outstanding during the period.	<b>13,53,22,162</b>	13,53,22,162

10. Managerial remuneration does not include contribution to Gratuity provision as separate figures are not available. Computation of net profit in accordance with section 198 of the Companies Act, 2013 has not been enumerated, as no commission is payable and remuneration has been paid as per provisions of schedule V of the Companies Act, 2013.

**11. 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	Key Management Personnel (KMP)	Enterprises over which KMP is able to exercise significant influence	Total for Current Year	(₹. in Lakhs) Total for Previous Year
Purchase of Fixed Assets	NIL	NIL	NIL	NIL
Purchase of goods (net)	NIL	NIL	NIL	NIL
Recoverable at end of the year	NIL	NIL	₹.3.17	₹.2.43
Services availed	NIL	₹.3.04	₹.3.04	₹.6.22
Civil Construction & Maintenance	NIL	₹.4.81	₹.4.81	₹.14.84
Lease Rent paid	NIL	₹.3.48	₹.3.48	₹.3.48
Hire Charges Paid	NIL	₹.48.29	₹.48.29	NIL
Management Contracts (Salaries)	₹.145.94	NIL	₹.145.94	₹.139.03
Remuneration paid to relatives of KMP during the year.			₹.2.70	₹.2.60
Amounts written off or written back in the period in respect of debts due from or to related parties.			NIL	NIL

## INDIAN ACRYLICS LIMITED

**Note:**

1. Subsidiary Company : Carlit Trading Europe S.L.U. (Spain)  
 2. Key Management Personnel : **Mr.R.K.Garg**      **Mr.H.K.Singhal**      **Mr.Dheeraj Garg**  
 (Whole time Directors)      Managing Director      Finance Director      Addl. Managing Director

**Mr. Bhavnesh K. Gupta**  
 Company Secretary

3. 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) Steel Strips Wheels Ltd
4. Relatives of the Key Management Personnel (with whom transactions have taken place):- Mr. Suresh 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.

**12. 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, 2016	431.87	39.12	-	97.27
Provision made during the year	301.47	169.69	-	32.73
Provision written off/ back during the period	-	39.12	-	-
Balance at March 31, 2017	733.34	169.69	-	130.00

13. The company has taken the Group Gratuity and Group Leave encashment policies from LIC/Birla Sunlife and entire premiums demanded by them for the year 2016-17 have been paid / provided for as per the requirements of revised **AS-15**.

**14. 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 ₹227.52 lakhs (previous year ₹169.88 lakhs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31<sup>st</sup> March 2017 are:

	As at 31.03.17	As at 31.03.16
<b>S.No. Particulars</b>		(₹.in Lakhs)
a) not later than one year	154.94	89.10
b) later than one year but not later than five year	266.77	335.23
c) later than five year	-	-

15. 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 lakhs plus interest thereon amounting to US\$ 9.75 lakhs 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 lakhs and same has been treated as Income in the year 2012-13. The management of the company is confident of recovery of these claims.

16. Detail of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 as provided in the table below:

AMOUNT IN ₹

	SBNs	OTHER DENOMINATION NOTES	TOTAL
CLOSING BALANCE ON 08.11.2016	85000	2319081	2404081
(+) PERMITTED RECEIPT	-	1980270	1980270
(-) PERMITTED PAYMENTS	-	3553537	3553537
(-) AMOUNT DEPOSITED IN BANK	85000	-	85000
CLOSING BALANCE ON 30.12.2016	-	745814	745814

17. The company has made an investment of ₹ 2.08 Lakh in 3000 shares of Euro 1 each in wholly owned subsidiary company name Carlit Trading Europe S.L.U. (Spain) on 23.03.2017.

18. **ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF PARAGRAPHS 5 (viii), OF PART II, SCHEDULE III, OF COMPANIES ACT, 2013.**

a)	Raw Material consumed	CURRENT YEAR		PREVIOUS YEAR	
		Qty.(MT)	Value (₹.in Lakhs)	Qty.(MT)	Value (₹.in Lakhs)
i)	Acrylonitrile	31216	24932.47	36163	28371.07
ii)	Dimethyl Formamide	1371	716.46	1481	852.38
iii)	Methyl Acrylate	151	190.98	85	110.74
iv)	V.A.M	2148	1261.75	2563	1691.96
	Others	-	2989.34	-	2936.30
b)	<b>CIF Value of imported goods</b>				
a)	Raw Material		21285.16		30068.58
b)	Components & Spare parts		375.29		371.74
c)	<b>Consumption of Raw-Materials &amp; Stores and spares</b>				
i)	Raw Material	%age	(₹ in Lakhs)	%age	(₹ in Lakhs)
a)	Indigenous	8.62	2594.98	7.86	2670.63
b)	Imported	91.38	27496.02	92.14	31291.82
ii)	<b>Store and Spares</b>				
a)	Indigenous	74.44	770.38	70.42	778.11
b)	Imported	25.56	264.54	29.58	326.84
d)	<b>Expenditure in Foreign Currency</b>		<b>Current Year</b>		<b>Previous Year</b>
a)	Directors Travelling		39.41		27.90
b)	Staff Travelling		35.27		41.05
e)	<b>Earnings in Foreign Exchange</b>		16644.46		21975.59
f)	<b>F.O.B Value of Export</b>		16644.46		21975.59
g)	<b>Expenditure on Employees</b>				
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		1		1
	- Salaries and Allowances (₹.in Lakhs)		100.04		96.73
	- Contribution to Provident & Other Fund (₹. in Lakhs)		6.12		6.12
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.		None		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)

**R.K. GARG**

Mg. Director

**H.K. SINGHAL**

Finance Director

**S.K. SINGLA**

**B.B. TANDON**

**A.S.CHATHA**

**M.M. CHOPRA**

**TEJINDER KAUR**

Directors

**B.K. GUPTA**

Company Secretary

Place : CHANDIGARH

Dated : 30.05.2017

**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](mailto:shares@indianacrylics.com), Website: [www.indianacrylics.com](http://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:		Signature	
	Address:			
	E-mail Id:			
Or failing him/her				
2.	Name:		Signature	
	Address:			
	E-mail Id:			
Or failing him/her				
3.	Name:		Signature	
	Address:			
	E-mail Id:			

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 29<sup>th</sup> day of September 2017 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 (Standalone & Consolidated) for the year ended March 31, 2017
- Re-appointment of Sh. Dheeraj Garg, as a Director
- Appointment of Auditors M/s. AKR & Associates, Chartered Accountants

**Special Business**

- Ratification of Remuneration of Cost Auditor
- Appointment of Raja Shivdev Inder Singh as an Independent Director

Affix  
Revenue  
Stamp

Signed this ..... day of September 2017.

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](mailto:shares@indianacrylics.com), Website: [www.indianacrylics.com](http://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)	

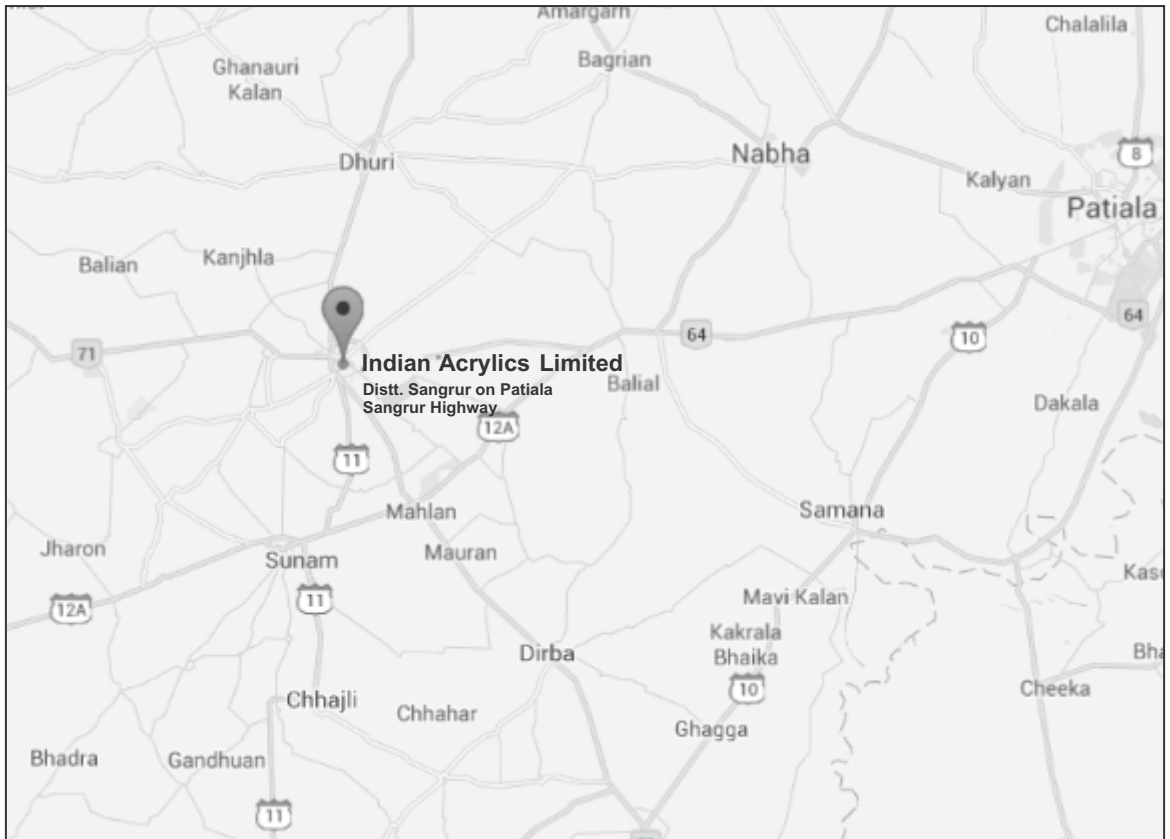
I, hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company held on Friday, the 29<sup>th</sup> day of September 2017 at 11:00 a.m., at VILLAGE HARKISHANPURA, TEHSIL BHAWANIGARH, DISTT. SANGRUR (PB)

Member's/ Proxy's Signatures



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

**Location Map of Annual General Meeting**



If Undelivered please return to :

**INDIAN ACRYLICS LIMITED**

**CIN:L24301PB1986PLC006715**

S.C.O. 49-50, Sector 26,

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