

# S.C. DEWAN & CO.

Chartered Accountants

TEL: 2556190, 2556890

S.C.O 90, 1<sup>st</sup> Floor,

Swastik Vihar,

Panchkula-134109.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Indian Acrylics Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Indian Acrylics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

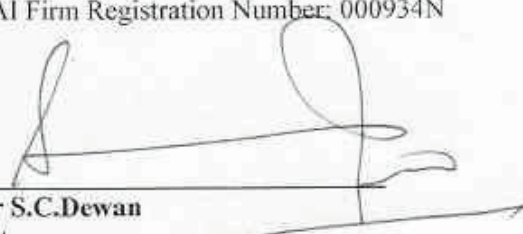
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **S.C. Dewan & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 000934N



per **S.C. Dewan**  
Partner

Membership Number: 015678  
Place of Signature: Chandigarh  
Date: 30 May 2014



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

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories :
  - a) The management has conducted physical verification of inventory at reasonable intervals during the year.
  - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. As there are no loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the Register maintained under section 301 of The Companies Act, 1956 the provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system in respect of these areas.
5.
  - a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and does not exceeding the value of Rupees five lacks during the financial year therefore requirement of reasonableness of transactions does not arises.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve



Bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and rule framed there under are not applicable for the year under audit.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
9. In respect of statutory dues: -
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date becoming payable.
  - (b) According to the information and explanations given to us, there are some demands/claims disputed by the company as per details given below:

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

10. The Company has accumulated losses at the end of the financial year. However, the Company has not incurred any cash losses during the financial year under consideration nor in the immediately preceding financial year
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.



12. In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities and other investments. The Company has maintained proper records of transactions and contracts in respect of shares, securities and other investments and timely entries have been made therein. All shares, securities and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. Based on the information and explanations given to us by the management, we report that the company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has not issued any secured debentures.
20. The Company has not raised any money by way of public issues during the year
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **S.C. Dewan & Co**  
Chartered Accountants  
ICAI Firm Registration Number: 000934N

  
per **S.C. Dewan**  
Partner

Membership Number: 015678  
Place of Signature: Chandigarh  
Date: 30 May 2014



**INDIAN ACRYLICS LIMITED**

REGD. OFFICE: VILLAGE - HARKISHANPURA, DISTT. - SANGRUR (PUNJAB)  
AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31/03/2014

(Rupees in lacs)

PARTICULARS	3 MONTHS ENDED			YEAR ENDED	
	(AUDITED)	(UNAUDITED)	(AUDITED)	(AUDITED)	
	31/03/14	31/12/13	31/03/13	31/03/14	31/03/13
1. Income from operations					
- Domestic Sale	11112	37994	9500	49106	36596
- Export Sale	3974	14665	1889	18639	5593
Less Excise Duty	1083	3929	850	5012	3435
Total income from operations (Net)	14002	48730	10539	62733	38754
2. Expenses:					
a. Increase/ decrease in stock in trade.	714	-2022	1536	-1308	2943
b. Cost of material consumed	10216	39021	6614	49237	26643
c. Employee benefits expenses	366	1295	389	1661	1468
d. Depreciation & amortization expense	209	766	59	975	648
e. Other Expenditure.	1831	7176	1487	9007	6047
f. Prior Period Adjustment	17	4	2	21	17
Total Expenses	13353	46241	10087	59594	37766
3. Profit/(Loss) from Operations before other Income (1-2)	650	2489	452	3139	988
4. Other Income	133	247	78	380	518
5. Profit/ (Loss) from ordinary activities before finance costs & exceptional items (3+4)	783	2736	530	3519	1506
6. Finance Cost	234	2153	715	2387	1903
7. Profit/ (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	549	583	-185	1132	-397
8. Exceptional Income	-	-	814	-	-814
9. Profit/ (Loss) from Ordinary activities before tax (7+8)	549	583	629	1132	417
10. Tax expenses (MAT)	-	-	-	-	-
11. Net Profit/ (Loss) from Ordinary activities after tax (9-10)	549	583	629	1132	417
12. Extraordinary items (Net of tax expenses Rs. )	-	-	-	-	-
13. Net Profit/ (Loss) for the period (11+12)	549	583	629	1132	417
14. Paid-up Equity Share Capital (Face Value of Shares Rs.10/- each)	13532	13532	13532	13532	13532
15. Reserves Excluding Revaluation Reserves	-	-	119	119	119
Basic & Diluted EPS before & after extraordinary items (Not annualized) Rs.	0.41	0.43	0.46	0.84	0.31
A) PARTICULARS OF SHAREHOLDING					
1. Public Shareholding					
No of shares	63242313	63245839	64239852	63242313	64239852
Percentage of shareholding	46.73%	46.74%	47.47%	46.73%	47.47%
2. Promoters & Promoter group Shareholding:					
a) Pledge/ Encumbered					
- Number of Shares of promoters	21069010	21069010	21069010	21069010	21069010
- Percentage of Shareholding of promoters	29.23	29.23	29.64	29.23	29.64
- Percentage of Share capital of promoters	15.57	15.57	15.57	15.57	15.57
b) Non-encumbered					
- Number of Shares of promoters	51010839	51007313	50013300	51010839	50013300
- Percentage of Shareholding of promoters	70.77	70.77	70.36	70.77	70.36
- Percentage of Share capital of promoters	37.70	37.69	36.96	37.70	36.96

Particulars 3 Months Ended 31.03.2014

B) INVESTOR COMPLAINTS

Pending at the beginning of the quarter	Nil
Received during the quarter	2
Disposed of during the quarter	2
Remaining unresolved at the end of the quarter	Nil

NOTE:- The above results were reviewed by the Audit Committee and have been taken on record in the meeting of Board of Directors held on 30.05.2014.

- The company is mainly in one business "Manufacture and sale/ trading of Acrylic Fibre/ Yarn", as such Segment Reporting as defined in Accounting Standard 17 is not applicable

Place : Chandigarh  
Dated : 30/05/2014

  
**H.K. SINGHAL**  
 Financial Advisor

## STATEMENT OF ASSETS AND LIABILITIES

(RUPEES IN LAKHS)

PARTICULARS	31.03.2014 (Audited)	31.03.2013 (Audited)
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' Funds</b>		
(a) Share Capital	13532.22	13532.22
(b) Reserves & Surplus	(6095.35)	(7227.37)
<b>Sub-Total- Shareholders' Fund</b>	<b>7436.87</b>	<b>6304.85</b>
<b>(2) Share application money pending allotment</b>	-	-
<b>(3) Non- Current Liabilities</b>		
(a) Long-Term borrowings	-	326.76
(b) Deferred Tax Liabilities (Net)		
(c) Other Long Term Liabilities	1399.81	1543.12
(d) Long Term Provisions	0.00	0.00
<b>Sub-total- Non-Current Liabilities</b>	<b>1399.81</b>	<b>1869.88</b>
<b>(4) Current Liabilities</b>		
(a) Short-Term borrowings	723.51	964.81
(b) Buyer Credits	1759.75	2581.67
(c) Trade payable	14089.12	12137.49
(d) Other Current Liabilities	1970.29	1067.32
(e) Short-Term Provisions	472.49	351.13
<b>Sub-total- Current Liabilities</b>	<b>19015.17</b>	<b>17102.42</b>
<b>Total-Equity &amp; Liabilities</b>	<b>27851.85</b>	<b>25277.16</b>
<b>II Assets</b>		
<b>(1) Non-Current Assets</b>		
(a) Fixed Assets		
Gross Block	41396.80	41313.64
Less: Depreciation	33275.89	32301.18
Net Block	8120.91	9012.46
Capital Work-in-Progress (including advances on capital account)	2254.91	202.10
(b) Non-Current Investments		
(c) Deferred Tax Assets (Net)		
(d) Long Term Loans and Advances	0.00	0.00
(e) Other Non-Current assets (Security Deposits)	106.86	100.34
<b>Sub-total- Non-current assets</b>	<b>10482.68</b>	<b>9314.90</b>
<b>(2) Current Assets</b>		
(a) Current Investments		
(b) Inventories	11209.31	10810.86
(c) Trade Receivables	2166.19	2934.27
(d) Cash and Bank Equivalents	2140.88	703.95
(e) Short-Term Loans and Advances	1762.54	1301.27
(f) Other Current Assets	90.25	211.90
<b>Sub-total- Current Assets</b>	<b>17369.17</b>	<b>15962.26</b>
<b>TOTAL-ASSETS</b>	<b>27851.85</b>	<b>25277.16</b>

Place: Chandigarh  
Date : 30/05/2014

  
H K SINGHAL  
Financial Advisor