



IAL/CS/AGM/2016/
September 2, 2016

INDIAN ACRYLICS LIMITED

CIN: L24301PB1986PLC006715

Head Office : ISO 9001-2008 Certified

SCO 49-50, 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.

National Securities Depository Limited
4th Floor, 'A' Wing, Trade World,
Kamla Mills Compound, Senapati Bapat
Marg, Lower Parel, Mumbai – 400013.

Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai-400001.

Scrip Code: 514165

Reg : 29TH AGM NOTICE AND ANNUAL REPORT 2015-16

Dear Sir/ Madam,

Further to our letter dated 26.08.2016, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith copy of the Annual General Meeting Notice and draft Annual Report of the Company for the financial year 2015-16 to be held on 29th September 2016 at Regd, Office of the Company.

Kindly take the same on your records.

Thanking you,
Yours faithfully,
for INDIAN ACRYLICS LIMITED


(BHAVNESH K GUPTA)
COMPANY SECRETARY
FCS-3255

**29TH
ANNUAL REPORT
2015-16**



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. Satish Kumar Dua

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

State Bank of Patiala

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

Website: 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 29th Annual General Meeting of the Shareholders of the Company shall be held as scheduled below:

Day & Date : **Thursday, 29th day of September, 2016**
Time : **11.00 A. M.**
Venue : **Company's Regd. Office at
Village Harkishanpura, Sub-Tehsil Bhawanigarh,
Distt. Sangrur (Punjab) - 148026**

To transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2016 and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sh. Suresh Kumar Singla (DIN: 00051799), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and in this regard to consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s S. C. Dewan & Co., Chartered Accountants (Firm's Registration No. 000934N), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Next Annual General Meeting of the Company to be held in the year 2017, 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 Units located at Village Harkishanpura, Tehsil Bhawanigarh, Distt. Sangrur, Punjab for the Financial Year ended 31st March 2016 and 31st March 2017.

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 fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules framed there under, and in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the Regulations"), relevant guidelines, rules, regulations, notifications, circulars and other requirements as specified by the Securities and Exchange Board of India and other appropriate authorities, listing agreement with Stock Exchanges where the shares of the Company are listed (including any statutory modification(s) or re-enactment of any of them for the time being in force) and subject to such approvals, consents, permissions and/or sanctions as may be necessary and also subject to such conditions, stipulations and modifications as may be prescribed or imposed by the appropriate authorities while granting such approvals, consents, permissions and/or sanctions; which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of Directors duly authorized in the matter), consent of the members of the Company be and is hereby accorded to the Board to create, offer, issue and grant, in one or more tranches, up to 5,00,000 (Five Lacs) Options to the employees of the Company, present and future, having designation of Manager and above (excluding Directors of the Company, an employee who is a promoter or a person belonging to the promoter group) (all such persons are hereinafter collectively referred to as "Employees") through **"Indian Acrylics Limited - Employees Stock Option Scheme, 2016 ("IAL-ESOS 2016" or "the Scheme")** of the Company, which entitles the option holders to subscribe one equity share of the Company of ₹ 10/- (Rupees Ten Only) each at an exercise price of ₹10/- (being its face value) each, against each option granted to them, i.e. in total 5,00,000 (Five lacs) equity shares

aggregating to the face value of ₹50,00,000 (Rupees Fifty lacs only), which is equivalent to approx. 0.37% of the issued and paid-up equity share capital of the Company as on the date of this notice, on such terms and conditions as may be fixed or determined by the Board or NRC in accordance with the provisions of the law or regulations/guidelines issued by relevant authority (ies).

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required upon exercise of option from time to time in pursuance of the Scheme and get the shares listed on the Bombay Stock Exchange (BSE); AND THAT the equity shares to be so issued and allotted shall rank pari passu in all respects with the existing fully paid up Equity Shares of the Company.

RESOLVED FURTHER THAT the number of Options that may be granted to any Employee, in any financial year and in aggregate under the Scheme shall not exceed 1% of the Paid up Share Capital of the Company at the time of grant of option.

RESOLVED FURTHER THAT in case the Company's equity share capital or its valuation is affected due to any corporate action like issue of Bonus Shares, Rights Shares, any split or consolidation of face value of equity shares, or any event of merger, demerger, consolidation, capitalization or other reorganization of the Company, tender offer for equity shares or Sale of Undertaking, or any other corporate action, or otherwise, the Board/ Nomination and Remuneration Committee is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme "are passed on to the Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the terms and conditions of the Scheme from time to time including but not limited to suspend, withdraw, terminate or revise the Scheme as it may deem fit, from time to time as its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company and SEBI regulations/guidelines and any other applicable laws.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint merchant bankers, advisors, consultants or representatives, being incidental to the effective implementation and administration of the Scheme as also to make applications to the appropriate authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committee, with power to further delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard to give effect to the aforesaid resolution."

By Order of the Board of Directors

BHAVNESH K. GUPTA

G.M. CUM COMPANY SECRETARY

FCS-3255

Place: Harkishanpura

Date: 12.08.2016

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 alongwith their copy of Annual Report at the Meeting.

INDIAN ACRYLICS LIMITED

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will remain closed from **22.09.2016 to 29.09.2016** (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 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for 2015-16 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 2015-16 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 25, 2016 at 9.00 a.m. and will end on September 28, 2016 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on **22nd September, 2016 (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**
 - (iv) Click on shareholders
 - (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** 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:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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 |
| Dividend Bank Details OR Date of Birth (DOB) | 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. <ul style="list-style-type: none"> • 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). |

- (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 < INDIANACRYLICS 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.
- (xviii) **Note for Non- Individual Shareholders and Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com 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.
 - 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 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. 22nd September 2016 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 under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xix) 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. 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 12.02.2016 and 27.05.2016 for the financial year 2015-16 and 2016-17 respectively.

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

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

ITEM NO. 5

Employees are considered to be back bone of the organization and its business activities, more particularly in the increasingly competitive environment where people are the key resources for success and achievement of corporate goals.

With the objective to attract, retain and motivate employees as well as to reward employees for their performance and association with the Company and motivate them to contribute to the growth and profitability of the Company, the Board of

INDIAN ACRYLICS LIMITED

Directors ("Board") of your Company have decided to introduce Employee Stock Option Scheme titled as "Indian Acrylics Limited-Employees Stock Option Scheme, 2016" (hereinafter referred as "IAL-ESOS 2016" or "the Scheme"), in accordance with Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ("the Regulations"). the Scheme will enable the Company to align Employee's goal and interests with those of the Company and its shareholders and to not only to retain best talents but also enable the employees to develop a sense of ownership with the organization.

The Resolution contained at item no.5 seek to obtain the Member's approval to authorize the Board of Directors of the Company (hereinafter referred as 'the Board' which term shall include the Nomination and Remuneration Committee ('NRC') constituted by the Board to exercise its power in relation hereto, including the power conferred by these resolution and/or such other persons who may be authorized by the Board or NRC to create, issue, offer and allot equity shares from time to time, to the employees of the Company.

Pursuant to Regulation 6 and Regulation 14 of the Regulations and the requirement enumerated by the SEBI, the key details of the Scheme are set out below:

A. Brief description of the scheme.

The Company has framed a draft Employees Stock Option Scheme (referred to as the Scheme) to reward the eligible employees for their contribution to the success of the Company and to provide an incentive to continue contributing to the success of the Company.

B. Total number of options to be granted.

The maximum number of options that may be granted pursuant to the Scheme shall not exceed 5,00,000 (Five Lac) exercisable into equal number of equity shares of the face value of ₹ 10/- each i.e. number of shares in the Scheme shall not exceed .37% of the total share capital of the Company as on 12/08/2016.

C. Identification of classes of employees entitled to participate in the "IAL- ESOS 2016"

All present and future employee(s) of the Company having designation of Manager and above (excluding Directors of the Company, an employee who is a promoter or a person belonging to the promoter group)

D. Requirement of vesting and period of vesting.

The vesting of the Options would be subject to the terms and conditions as may be stipulated by the NRC from time to time including but not limited to satisfactory performance of the Employee, their continued employment with the Company. The vesting period of the Options shall commence any time after a period of one year from the date of grant of the Options to the Employee and shall end over a period of four years from the date of Grant, subject to the terms and conditions of para (G) below.

E. Maximum period with in which options shall be vested.

Maximum period of vesting is four years from the date of grant (or such other period as decided in the sole discretion of the NRC from time to time).

F. Exercise Price.

The Exercise Price shall be ₹ 10/- per equity share being its face value.

G. Exercise Period and Process of Exercise

The Options granted shall be capable of being exercised in one of more tranche with in a period of four years from the date of grant.

The options will be exercisable by the employee by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board/NRC from time to time.

In the event of death of the Employee while in employment, all the options granted to him till such date shall vest in the legal heirs or nominees of the deceased Employee & shall be exercised within one year thereof or before the expiry of the Exercise Period whichever is earlier. Nomination and Compensation Committee (NRC) may in its absolute discretion permit the exercise of the Options even beyond the said period. Any vested option not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

In case the Employee suffers a permanent incapacity while in employment, all the options granted to him as on the date of permanent incapacitation, shall vest in him on that day and shall be exercised within one year thereof or before the expiry of the Exercise Period whichever is earlier. The NRC may in its absolute discretion permit the exercise of the Options even beyond the said period. Any vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

Where the Employee is on long leave, the Grant, Vesting, Exercise of the Options will be through a duly constituted attorney of the Employee. In case the Employee does not name such constituted attorney, Grant, Vesting and Exercise of Options will be decided at the discretion of the NRC.

In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company or where an extension in retirement date is granted, on completion of such extension period, all Vested Options should be exercised by the Employee immediately after, but in no event later than one year from the date of the Employee's retirement or before the expiry of the Exercise Period whichever is earlier. The NRC may in its absolute discretion permit the exercise of the Options even beyond the said period. Any Vested Options not exercised within this aforesaid period shall lapse and stand forfeited at the end of the aforesaid period.

In the event of resignation, all unvested Options, on the date of submission of resignation, shall expire and stand terminated with effect from that date unless otherwise determined by the NRC whose determination will be final and binding. However, all vested options as on that date shall be exercisable by the Employee within 90 days from the date of resignation or before the expiry of the Exercise Period, whichever is earlier.

In the event of the Employee ceasing to be in the service of the Company, due to misconduct or violates the terms and conditions of his employment in any manner, all the Options outstanding on the date of cessation of his employment, shall stand cancelled forthwith and that the Employee shall not be permitted to exercise any right in respect thereof.

In the event of termination other than termination due to misconduct, all unvested options, on the date of such termination, shall expire and stand terminated with effect from that date unless otherwise determined by the NRC whose determination will be final and binding. However, all vested options as on that date shall be exercisable by the employee within 90 days from the date of termination or before the expiry of the exercise period, whichever is earlier.

In the event of abandonment of employment by the Employee without the Company's consent, all the Options whether granted or vested but not exercised at the time of abandonment shall stand cancelled.

H. Appraisal process for determining the eligibility of employees to IAL-ESOS 2016.

The criteria involved in selection of the eligible employees and the number of options to be granted to each of them will be determined by the NRC on the basis of various variables like:

- The performance and / or merit of the employee as indicated by his periodical performance appraisal; or
- The minimum period of service put in by him and his remaining future service; or
- His Cadre/Designation in the Company; or
- His present and potential contribution to the success of the Company; or
- The key functional areas in which the employee is involved; or
- Such other criteria and / or factors as may be deemed relevant and / or appropriate by the NRC.

The decision of the NRC in this regard shall be final and binding on all the employees. The Committee may, in its sole discretion, vary the conditions on the basis of which the grant size shall be determined.

I. Maximum number of options to be issued per employee and in aggregate

The number of Options that may be issued per eligible employee under the Scheme shall not exceed the number of shares equivalent to 1% of the Paid up Share Capital of the Company at the time of grant.

The maximum number of shares that can be issued to eligible employees in the aggregate shall not exceed 5% of the total paid up capital and free reserves of the Company at the time of grant.

J. Maximum quantum of benefit to be provided per employee under the scheme

Same as I

K. Whether the scheme(s) is to be implemented and administered directly by the company or through a trust

The NRC shall directly administer the Scheme and not through the trust.

L. Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both

The Scheme involves issue of 5,00,000 new shares by the Company.

M. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.

Nil

N. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)

Not Applicable

O. A statement to the effect that the company shall conform to the accounting policies specified in regulation 15

The Company shall conform to the Accounting Policies specified in Clause 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which inter-alia provides that:

- a. Company shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.
- b. Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

P. The method which the company shall use to value its options

To calculate the stock-based Employee compensation, the Company shall use the intrinsic value method for valuation of the options granted.

Q. Disclosure in Directors' Report

The Company undertakes that in case the Company calculates the employee compensation using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed in the Directors' Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Directors' Report.

R. Lock-in of Equity Shares allotted upon exercise of grant

The shares which shall be allotted upon exercise of grant shall not be subject to any Lock in period.

In accordance with the requirements of Clause 6 of "SEBI Regulations", approval of the members is being sought vide special resolution at item No. 5 of the notice for implementing the Scheme of the Company and providing its benefits to all eligible employees of the Company.

The Board and NRC shall have the absolute authority to vary or modify the terms of the Scheme in accordance with the regulations and guidelines prescribed by SEBI or regulations that may be issued by any appropriate authority from time to time. A copy of the draft Scheme on ESOS shall be available at the registered office of the Company for inspection during working hours except on holidays.

None of the Promoters, Directors or Key Managerial Person of the Company or their relatives is deemed to be concerned or interested in the aforesaid Resolution, except to the extent of the Options/equity shares that may be offered to them under the Scheme.

The Board recommends the special resolution at item No.5 for approval by the Members.

INDIAN ACRYLICS LIMITED

DIRECTORS' REPORT

To The Members,

The Directors of your Company have pleasure in presenting the 29th Annual Report of the Company together with Audited Accounts for the financial year ending 31st March, 2016.

1. FINANCIAL HIGHLIGHTS

| PARTICULARS | ₹. in lacs | |
|---|------------|---------|
| | 2015-16 | 2014-15 |
| Domestic Sales (Net of Excise) | 32026 | 34093 |
| Export Sales | 21993 | 20569 |
| Total Sales | 54019 | 54662 |
| Other operating Income | 395 | 455 |
| Total Income | 54414 | 55117 |
| Profit before interest & depreciation | 4837 | 679 |
| Interest & other financial charges | 1759 | 1587 |
| Profit/(Loss) before depreciation | 3078 | (908) |
| Depreciation | 1015 | 847 |
| Net Profit/(Loss) prior to Tax & Extra Ordinary Items | 2063 | (1755) |
| Prior period adjustment | - | - |
| Extra Ordinary Item | (1) | 257 |
| Net Profit/(Loss) available for appropriation | 2062 | (1498) |

Production & Sales Review:

The Company has achieved production of 39216 MT and sale of 38064 MT Acrylic Fibre during the year under review as against 31136 MT and 29838 MT respectively during the previous year. The Sale and other incomes during the year were ₹54449 lacs as against ₹55117 Lacs.

Profitability:

The Company earned profit before depreciation, interest and tax of ₹4837 lacs as against ₹679 lacs in the previous year. After providing for depreciation of ₹1015.25 lacs (Previous Year ₹847.54 lacs), interest of ₹1759.18 lacs (Previous Year ₹1587.35), the net profit from operations worked out to ₹2061.53 lacs as compared to net loss of ₹1498.21 lacs in the previous year.

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 lac, ₹39.23 lacs and ₹80.00 lac 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. 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.

However, your Company has voluntarily spent a sum of ₹15.01 lacs in the year under consideration (Previous year ₹11.18 lacs) on CSR activities.

6. 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 as Annexure-6

7. 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.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ending 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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.

9. 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:

PSIDC nominated Mrs Indu Malhotra, its Managing Director, as a Director of the Company, in place of Shri S R Ladhar effective from 27/05/2016.

Your Directors place on record appreciation of the valuable guidance rendered by Shri S R Ladhar during his association with the Company.

As per the provisions of Companies Act, 2013, Shri S K Singla, (DIN-00051799) 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. During the year under review Company's Plant visit was organized for the Independent Directors to help 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.

10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 4 Board Meetings were held, one each on 30th May 2015, 20th July 2015, 13th November 2015 and 12th February 2016.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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 and recommendation to the board for their approval.

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.

17. 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 this Boards Report as **Annexure 5**

18. 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>

19. 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(1) of the Companies Act, 2013, the matter of appointment of M/s S.C. Dewan & Co., Chartered Accountants, as a Statutory Auditors, is placed for ratification by the members.

The Company has received a certificate from them pursuant to Companies (Audit & Auditors) Rules 2014 read

with Section 139 & 141 of the Companies Act, 2013, confirming their eligibility for reappointment, and that they were not disqualified for reappointment.

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 2015-16 is attached as & 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.

20. AUDITORS' REPORT

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

21. 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.

22. DEMATERIALIZATION

Effective from 25th September 2000, the equity shares of your Company are being compulsorily traded in dematerialized form. As on 31st March 2016, a total of 1255 lacs equity shares, representing 92.77% of equity share capital, have been dematerialized and 29096 shareholders are holding shares in dematerialized form.

23. INSURANCE

All the assets of the Company have been adequately insured.

24. PARTICULARS OF EMPLOYEES

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

25. 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 ₹60.00 lac per annum or ₹5.00 lac per month or more during the Financial Year 2015-16, are annexed hereto and forms part of this report as **Annexure-3**.

26. INDUSTRIAL RELATIONS

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

27. 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

28. 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 31st March, 2016.

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

The optimal utilisation 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**.

30. 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. Details of subsidiary or joint venture company.
2. Issue of equity shares with differential rights to dividend, voting or otherwise.
3. Details relating to deposits covered under Chapter V of the Act.
4. 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.
5. No significant/material orders have been passed by any Regulator/Court /Tribunal which could impact the going concern status & future operations of the Company.
6. No change in nature of Business of the Company.
7. No unclaimed Dividend is required to be transferred to Investor Education and Protection fund.

31. 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 members of the team 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

Place: Chandigarh
Dated: 27th May, 2016

| | |
|----------------------|-------------------|
| H. K. SINGHAL | R. K. GARG |
| FINANCE | MANAGING |
| DIRECTOR | DIRECTOR |
| DIN-00044328 | DIN-00034827 |

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

| | |
|--|--|
| Name of Director (DIN) | Sh. Suresh Kumar Singla (DIN: 00051799) |
| Date of Birth | 1/1/1962 |
| Date of first Appointment | 28/05/2015 |
| Qualification/ Experience in Specific functional areas | B. Tech (Textile) From TIT Bhiwani, General Manager in PSIDC |
| List of companies in which outside Directorships held (Excluding Private Limited/ Foreign Company) | Electronics Systems Punjab Ltd Satia Synthetics Limited Ganga Acrowools Ltd Dwarikadhish Spinners Limited Winsome Yarns Ltd Rana Polycot Limited Fertichem Cotspin Limited Cheema Spintex Ltd Healthcaps India Limited |
| Chairman/ Member of the Committee of Board of Directors of the Company | Nil |
| Chairman/ Member of the Committee of Directors of other Companies in which he is a Director | Nil |
| No. of shares held in the Company | Nil |

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, 2016

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 |
|--|--|--------------|---------------|
| A) POWER & FUEL CONSUMPTION | | | |
| 1. a) | Purchased Units (in lacs) | 214.31 | 102.62 |
| | Total amount (₹. in lacs) | 1565.40 | 753.93 |
| | Rate/Unit (Rupees) | 7.30 | 7.35 |
| b) | OWN GENERATION | | |
| i) | Through Turbine (Unit in lacs) | 416.62 | 451.99 |
| | Total amount (₹. in lacs) | 1503.94 | 1978.75 |
| | Rate/Unit (Rupees) | 3.61 | 4.38 |
| ii) | THROUGH DIESEL GENERATOR (UNIT IN LACS) | 1.51 | 2.20 |
| | Total amount (₹. in lacs) | 30.52 | 43.49 |
| | Rate/Unit (Rupees) | 20.17 | 19.74 |
| 2) | PET COKE USED FOR STEAM | | |
| | Quantity (Lacs Mts) | 7836.77 | 3187.99 |
| | Total amount (₹. in lacs) | 585.44 | 257.20 |
| | Rate/Unit (Rupees) | 7.47 | 8.07 |
| 3) | RICE HUSK FOR STEAM GENERATION | | |
| | Quantity (Mts) | 53786 | 52659 |
| | Total amount (₹. in lacs) | 1950.80 | 2285.94 |
| | Rate/Unit (Rupees) | 3.63 | 4.34 |
| B) CONSUMPTION PER UNIT OF PRODUCTION | | | |
| | Production of Acrylic Fibre & Waste (MT) | 39216 | 31136 |
| | Production of Acrylic Yarn (MT) | 1589 | 821 |
| 1.) | Electricity-Fibre (Units/MT) | 1458 | 1625 |
| | Electricity-Yarn (Units/MT) | 3817 | 4988 |
| | Cost per unit of production of Fibre (₹/Mts) | 7145 | 8123 |
| | Cost per unit of production of Yarn (₹/Mts) | 18709 | 24869 |
| 2) | Furnace Oil (KL/MT) | | |
| | Rice Husk for process steam (Unit/MT) | 1372 | 1691 |
| | Cost per unit of production of Fibre (₹/Mts) | 4975 | 7342 |
| | Pet Coke for process steam (Unit/MT) | 200 | 102 |
| | Cost per unit of production of Fibre (₹/Mts) | 1493 | 826 |

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per form "B" of Annexure to the Rules

- | | |
|--|--|
| <p>1 Research & Development (R&D)</p> <p>a) Specific area in which R&D carried out by Company.</p> <p>b) Benefits derived as a result of the above R&D</p> <p>c) Further course of action.</p> <p>d) Expenditure on R&D (₹. In lacs): (Capital/ Recurring)</p> | <p>R & D has been carried out in the areas of improvement on product, process, cost reduction and increase in productivity.</p> <p>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.</p> <p>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.</p> <p>Capital :- ₹. NIL (Previous year ₹. NIL lacs)</p> <p>Revenue :- ₹. 53.20 lacs (Previous year ₹. 43.43 lacs.)</p> |
|--|--|

2. Technology absorption, adoption and innovation
- a) Efforts in brief made towards technology absorption, adoption & 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 lacs)
- During this year export sale has Increased from ₹.205.69 Crore to ₹.219.94 Crore. This has been possible due to development of special product varieties for export markets.
- Used : ₹.27101.22 Lacs
(Previous year ₹. 32816.05 Lacs)
Earned : ₹. 21975.59 Lacs
(Previous year ₹. 20321.90 Lacs)

For and on behalf of Board of Directors

Place : Chandigarh
Date : 27.05.2016

H.K. SINGHAL
FINANCE DIRECTOR
DIN-00044328

R.K. GARG
MANAGING DIRECTOR
DIN-00034827

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, 2016, 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, 2016 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) The Listing Agreements entered into by the Company with BSE Limited and 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: 27.05.2016

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: 27.05.2016

Sushil K. Sikka
Company Secretary
FCS 4241
CP 3582

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**

| Non Executive Directors | Ratio to Median Remuneration |
|--------------------------------|-------------------------------------|
| Smt. Tejinder Kaur | 0.41 |
| Shri S.R. Ladhar | 0.53 |
| Shri M.M Chopra | 0.11 |
| Shri B B Tandon | 0.64 |
| Shri A.S. Chatha | 0.30 |
| Shri Satish Kumar Dua | 0.15 |
| Executive Directors | |
| Shri R K Garg | 67.67 |
| Shri H K Singhal | 9.74 |

- 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 | 6.89 |
| Shri H K Singhal | 2.36 |
| Shri Bhavnesh K Gupta | 25.75 |

- iii) **The percentage increase in the median remuneration of employees in the financial year 2015-16.**

The Percentage increase in median remuneration of employee is 4.76%.

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

The number of permanent employees on the roll of Company as of 31st March 2016 was 934.

- v) **The explanation on the relationship between average increase in remuneration and Company performance;**

The salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability. Salary increases during the year were in line with Company's performance as well as per Company's market competitiveness.

- vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;**

| Particulars | 2014-15 | 2015-16 |
|--|-----------------------------------|----------------|
| Aggregate Remuneration (Rupees in Lakhs) | 125.10 | 135.72 |
| Revenue (Rupees in Lakhs) | 55116.80 | 54413.88 |
| Remuneration of KMPs (As %age of Revenue) | 0.23% | 0.25% |
| Profit before tax (PBT) (Rupees in Lakhs) (Loss) | -1498.21 | 2061.53 |
| Remuneration of KMP (As %age of PBT) | Not calculated as PBT is negative | 6.58% |

INDIAN ACRYLICS LIMITED

- vii) **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year, Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies,**

| Particulars | March 31, 2016 | March 31, 2015 | % change |
|---|----------------|--|----------|
| Market capitalization (INR Lakhs) | 15413 | 6698 | 130% |
| Market Price(BSE) (Nov.12,1991-IPO ₹.10/-) | 11.39 | 4.95 | 130% |
| Price Earnings Ratio | 7.49 | Can't be calculated due to negative earnings | |

- viii) **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 2015-16 was 10.23% and percentage increase in the managerial remuneration for the year was 6.30%.

- ix) **Comparison of the remuneration of the each Key Managerial Personnel against the performance of the company;**

The increase in remuneration of Key Managerial Personnel is in line with performance and industry standards.

- x) **The key parameters for any variable component of remuneration availed by the directors;**

None of the Director is in receipt of any commission or variables from the company.

- xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

There is no employee in the company who is paid higher than highest paid director.

- xii) **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 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014 FOR THE YEAR ENDED 31ST MARCH, 2016

| Name of Employee | Designation | Remuneration (₹. in lacs) | Nature of Employment | Qualification & Experience (yrs) | Date of commen- of Employ- ment | Age Year | Last employ- ment before joining | % of shares held | Relative Director |
|------------------|-------------------|---------------------------|----------------------|----------------------------------|---------------------------------|----------|---|------------------|--------------------------|
| Sh. RK Garg | Managing Director | 102.85 | Contractual | F.I.E 52 | 01.10.90 | 73 | M/s Steel Strips Ltd. Chandigarh as Managing Director | 3.05 | Yes. Sh. Dheeraj Garg |

Note: Remuneration includes Salaries, Allowances, Medical Reimbursement, Contribution towards Provident Fund, Earned Leave and actual cost of perquisite borne by the Company.

For and on behalf of Board of Directors

Place : Chandigarh
Date : 27.05.2016

H.K. SINGHAL
FINANCE DIRECTOR
DIN-00044328

R.K. GARG
MANAGING DIRECTOR
DIN-00034827

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

As on financial year ended on 31.03.2016

**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 -

The Company has no holding, subsidiary or associate Company holding at least twenty percent of total share capital of the Company.

**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 | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 15173249 | - | 15173249 | 11.21 | 21784166 | - | 21784166 | 16.10 | 4.89 |

INDIAN ACRYLICS LIMITED

| | | | | | | | | | |
|---|----------|---------|----------|-------|----------|---------|----------|-------|--------|
| 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 | | | | | | | | | |
| Total shareholding of Promoter (A) | 72859897 | - | 72859897 | 53.84 | 79470814 | - | 79470814 | 58.73 | 4.89 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 135350 | 96800 | 232150 | 0.17 | 135350 | 96800 | 232150 | 0.17 | - |
| b) Banks / FI | 9231099 | - | 9231099 | 6.82 | - | - | - | - | (6.82) |
| c) Central Govt | | | | | | | | | |
| d) State Govt(s) | | | | | | | | | |
| e) Venture Capital Funds | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | |
| i) Others (specify) | | | | | | | | | |
| Sub-total (B) (1):- | 9366449 | 96800 | 9463249 | 6.99 | 135350 | 96800 | 232150 | 0.17 | (6.82) |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 9369603 | 158700 | 9528303 | 7.04 | 14180716 | 158500 | 14339216 | 10.60 | 3.56 |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| l) Individual shareholders holding nominal share capital upto ₹ 2 lakh | 17840097 | 9548120 | 27388217 | 20.24 | 20050102 | 9523320 | 29573422 | 21.85 | 1.61 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh | 16034996 | 47500 | 16082496 | 11.88 | 11706560 | - | 11706560 | 8.65 | (3.23) |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | | | | | | | | | |
| Overseas Corporate Bodies | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--|-----------|---------|-----------|--------|-----------|---------|-----------|--------|---|
| Foreign Nationals | | | | | | | | | |
| Clearing Members | | | | | | | | | |
| Trusts | | | | | | | | | |
| Foreign Bodies - D R | | | | | | | | | |
| Sub-total (B) (2):- | 43244696 | 9754320 | 52999016 | 39.17 | 45937378 | 9754320 | 55691698 | 41.1 | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 52611145 | 9851120 | 62462265 | 46.16 | 46072728 | 9778620 | 55851348 | 41.27 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 125471042 | 9851120 | 135322162 | 100.00 | 125543542 | 9778620 | 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 Company | % 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 | 3846192 | 2.84 | 1.36 | 4128444 | 3.05 | 1.36 | 0.21 |
| 3 | Smt. Sunena Garg | 278368 | 0.21 | 0.21 | 278368 | 0.21 | 0.21 | - |
| 4 | Shri Dheeraj Garg | 10965889 | 8.10 | 0.21 | 17294554 | 12.78 | 0.21 | 4.68 |
| 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 | - | - |

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| | | | | | | | |
|--------------------------------------|----------|-------|-------|----------|-------|-------|------|
| 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 | - | - | - |
| | 72859897 | 53.84 | 15.57 | 79470814 | 58.73 | 15.57 | 4.89 |

(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 | 72859897 | | 53.84 | | |
| | 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 and Sh. R K Garg | 06.07.2015 | 321635 | 0.24 | 73181532 | 54.08 |
| | | 07.07.2015 | 78565 | 0.06 | 73260097 | 54.14 |
| | | 26.11.2015 | 897912 | 0.66 | 74158009 | 54.08 |
| | | 27.11.2015 | 580000 | 0.42 | 74738009 | 55.22 |
| | | 28.12.2015 | 719054 | 0.53 | 75457063 | 55.75 |
| | | 29.12.2015 | 660597 | 0.49 | 76117660 | 56.24 |
| | | 01.01.2016 | 1087427 | 0.80 | 77205087 | 57.04 |
| | | 04.01.2016 | 634183 | 0.47 | 77839270 | 57.51 |
| | | 07.01.2016 | 100000 | 0.07 | 77939270 | 57.58 |
| | | 01.02.2016 | 170980 | 0.13 | 78110250 | 57.71 |
| | 02.02.2016 | 668343 | 0.50 | 78778593 | 58.21 | |
| | 03.02.2016 | 692221 | 0.52 | 79470814 | 58.73 | |
| | At the end of the year | | | | 79470814 | 58.73 |

Except market purchase by Shri R K Garg and 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. | IFCI Ltd. | 9231099 | 6.82 | - | - |
| 2. | Bloomen Flora Ltd. | 2838774 | 2.10 | 2838774 | 2.10 |
| 3. | Rajasthan global securities Pvt. Ltd. | - | - | 2318877 | 1.71 |
| 4. | Kashmira Investment & Leasing Pvt. Ltd | 975000 | 0.72 | 1005180 | 0.74 |
| 5. | SCM Fintrade Pvt. Ltd. | 938542 | 0.69 | 938542 | 0.69 |
| 6. | Ajay Kumar Bansal | 613650 | 0.45 | 672664 | 0.49 |
| 7. | Sandeep Ravindra Shah | - | - | 500000 | 0.37 |
| 8. | Bharat Jayantilal Patel | - | - | 318604 | 0.24 |
| 9. | Nizarvali Maredia. | - | - | 275001 | 0.20 |
| 10. | Ajit Kumar Jain | 349910 | 0.26 | 250000 | 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 | 01.04.2015 | At the beginning of the year | 3846192 | 2.84 | | |
| | Date wise Increase/ Decrease | | Date | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the end of the year | | 01.02.2016 | 170980 | 0.13 | 4017172 | 2.97 |
| | | | 02.02.2016 | 111272 | 0.08 | 4128444 | 3.05 |
| | | | | | 4128444 | 3.05 | |

INDIAN ACRYLICS LIMITED

| | | | | | | | |
|----|------------------|------------|------------------------------|------------------------|------|----------|----------|
| 2. | Sh. Dheeraj Garg | 01.04.2015 | At the beginning of the year | 10965889 | 8.10 | | |
| | | | 06.07.2015 | 321635 | 0.24 | 11287524 | 8.34 |
| | | | 07.07.2015 | 78565 | 0.06 | 11366089 | 8.40 |
| | | | 26.11.2015 | 897912 | 0.66 | 12264001 | 9.06 |
| | | | 27.11.2015 | 580000 | 0.43 | 12844001 | 9.49 |
| | | | 28.12.2015 | 719054 | 0.53 | 13563055 | 10.02 |
| | | | 29.12.2015 | 660597 | 0.49 | 14223652 | 10.51 |
| | | | 01.01.2016 | 1087427 | 0.80 | 15311079 | 11.31 |
| | | | 04.01.2016 | 634183 | 0.47 | 15945262 | 11.78 |
| | | | 07.01.2016 | 100000 | 0.08 | 16045262 | 11.86 |
| | | | 02.02.2016 | 557071 | 0.41 | 16602333 | 12.27 |
| | | | 03.02.2016 | 692221 | 0.51 | 17294554 | 12.78 |
| | | | 31.03.2016 | At the end of the year | | | 17294554 |
| 3. | Sh. H K Singhal | 01.04.2015 | At the beginning of the year | 1210 | - | | |
| | | 31.03.2016 | At the end of the year | | | 1210 | - |

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1507.03 | 3000.27 | - | 4507.30 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 1507.03 | 3000.27 | | 4507.30 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 2762.58 | 1906.47 | - | 4669.05 |
| * Reduction | 236.01 | - | - | 236.01 |
| Net Change | 2526.57 | 1906.47 | - | 4433.04 |
| Indebtedness at the end of the financial year | | | | |
| 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 | - | - | - | - |
| Total (i+ii+iii) | 4033.60 | 4906.74 | - | 8940.34 |

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 | 1,00,47,000/- | 14,11,200/- | - | 1,14,58,200/- |
| | (ii) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 2,37,865/- | 68,627/- | - | 3,06,492/- |
| | (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 | - | - | - | - |
| | Total (A) | 1,02,84,865/- | 14,79,827/- | - | 1,17,64,692/- |
| | Ceiling as per the Act | ₹168 lakhs as per Schedule-V of the Companies Act, 2013. | | | |

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 | 15,000 | 85,000 | 40,000 | 55,000 | 1,95,000 |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (1) | 15,000 | 85,000 | 40,000 | 55,000 | 1,95,000 |
| 2 | Other Non -Executive Directors | Sh. SR Ladhar/ Sh. SK Singla | Sh. SK Dua | - | - | |
| | Fee for attending board committee meetings | 70,000 | 20,000 | - | - | 90,000 |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (2) | 70,000 | 20,000 | - | - | 90,000 |
| | Total (B)=(1+2) | 85,000 | 1,05,000 | 40,000 | 55,000 | 2,85,000 |
| | Total Managerial Remuneration | | | | | 1,20,49,692 |
| | Overall Ceiling as per the Act | ₹168 lakhs as per Schedule-V of the Companies Act, 2013 | | | | |

INDIAN ACRYLICS LIMITED

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 | 18,07,800/- |
| | (b) Value of perquisites u/s 17(2) Income - tax Act, 1961 | 5,930/- |
| | (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 | 18,13,730/- |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Penalties/ Punishments/ Compounding of offences:

| Type | Section of Companies Act | Brief Description | Details of Penalty/Punishment/Compounding fees imposed (In ₹.) | Authority (RD/NCLT/ Court) | Appeal made, If any(give details) |
|-------------------------------------|-----------------------------------|---|--|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | 211(3A), (3B) and (3C) | The SCN was issued on examination of Balance Sheet as at 31.03.2012 to the Directors under the said Sections of Companies Act, 1956 and petition was made for compounding of offences stating that the company has complied with all the provisions of the Act in this regard. The said offences were compounded by Company Law Board by its orders dated 08/10/2015. | 40,000/- | Company Law Board | none |
| | 217(2AA) | | 60,000/- | Company Law Board | none |
| | 211(1), (2) read with Schedule VI | | 10,000/- | Company Law Board | none |
| C. Other Officers in Default | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

MANAGEMENT DISCUSSION AND ANALYSIS

a) Acrylic Fiber Industry – Global and Indian Perspective:

During the year under review, the Industry witnessed marginally higher demand of Acrylic Fibre (AF) and lower cost of production. The raw materials as well as energy prices were lower compared to the previous year. The capacity utilization of the plant was higher and so were the margins. China consumed almost 50% of acrylic fibre produced in the world and AF consumption in China increased from 0.816 million tons in 2014-15 to 0.868 million ton. Global increase in the demand of AF was only 1%. The total demand of acrylic fibre in the world grew from 1.759 million ton in 2014-15 to 1.773 million ton in 2015-16.

As far as production of AF in India is concerned, it increased from 0.085 million ton during 2014-15 to 0.10 million ton in the current year, showing increase of 18%. The domestic sale of AF Industry increased from 0.063 million ton to 0.068 million ton and exports increased from 0.020 million ton to 0.031 million ton. On the whole, Indian consumption of AF has been increasing gradually.

While during the first 4 months of the year 2015-16, International AF prices were quite stable and then they kept decreasing for next three months. But from November 2015 onward prices got stable again and remained unchanged till the end 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 remained favorable for the demand growth for man made fibers including acrylic fibre. The new capacity of Acrylonitrile has become operational during the year in china thereby easing the demand supply gap in Asian region. This new capacity has reduced the supply deficit in Asian region which has always been heavily dependant on imports from USA and Europe.

Raw material availability especially of ACN is expected to be better with new capacities coming on-stream in 2015 and also in 2016. For the purpose propylene plants are getting commissioned in China which is expected to bridge the availability gap of propylene, raw material for ACN. Lower and stable crude oil prices, better availability of propylene and new capacities of ACN in Asia are expected to translate into less volatile ACN prices despite some expected capacity rationalization in Asia. However, very low crude oil prices can make some of these new investments nonviable, which can change supply demand balance.

This year also, Acrylic Fibre Industry faced tough conditions in the domestic market due to significant volumes of imports coming throughout the year from suppliers in some of the Fareast and European countries as local demand in those countries was not much. Producers of acrylic fibre there are mainly dependent on export markets. Forum of Acrylic fibre is persuing the anti dumping investigations against these countries with the Govt. of India. The Chinese Government also started anti dumping investigations against producers from Japan, Korea and Turkey during the year 2015 and already levied anti dumping duty against these 3 countries.

b) Business Outlook:

The growth rate in the Indian economy remained much good, 7.5% in 2015-16 as against 7.3% in the previous year. It is estimated to grow by 7.5% in 2016-17. India seems to have come out of Current account and fiscal deficits challenges it faced in 2014-15 and 2015-16. Consumer Price Inflation is steadily coming down and monetary policies are being crafted to promote industrial growth. There is an overall improvement in business sentiment in India and the growth momentum seems to be sustainable.

Globally, US economy is estimated to grow 3.5% in 2016 (3.2% in 2015), Euro-zone is expected to grow 1.3% (0.83% in 2015) and China at 6.2 % (6.5 % in 2015). Improvement in economic situation especially in Euro-zone and USA, can boost AF demand. However, domestic consumption of China is expected to remain unchanged due to their main focus remaining on the domestic demand.

Based on overall assessment of domestic industry, pipeline inventories and economic growth forecasts, AF consumption in 2016-17 in India is likely to be sustained or increase slightly over 2015-16. The lower gap of acrylic fibre prices against other competing products is likely to continue in this year and this shall be helpful in increasing Acrylic Fiber consumptions.

The Company had started 6600 spindles for production of dyed acrylic yarn during the year 2014-15. Work on installation of 22032 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 2016-17. 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.

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"> - Well diversified customer base across different geographical locations and across different end uses of fibre - Target newer markets which might provide counter-cyclical support |
| 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"> - Increasing exports share in the turnover of the company by investing in newer markets development |
| Currency Volatility | Volatility in currency exchange movements resulting in sudden transaction and translation exposure | <ul style="list-style-type: none"> - Currency hedging policy and practices in place - Hedging strategy monitored by risk management committee through regular reviews |
| Crude Oil volatility | Volatility in crude oil prices resulting in sudden spurt or plunge of raw materials prices | <ul style="list-style-type: none"> - Increasing value added products in the product mix. - Inventory exposure monitored by risk management committee through regular reviews |
| Dumping of fibre | Large scale dumping by certain countries in India can impact the domestic sales | <ul style="list-style-type: none"> - Investing in the energy saving, alternate fuels and new products by in-house R & D. - Increasing exports sales by developing the new export markets |

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.

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, 2016, 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 30th May 2015, 20th July 2015, 13th November 2015 and 12th February 2016 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, 2016 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, 2016 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 2015-16 | | Annual General Meeting Attendance (held on 29.09.15) | No. of Directorship in other Public Companies | | No. of Committee Positions held in other Public Companies | |
|--|--|--|----------|--|---|--------|---|--------|
| | | Held | Attended | | Chairman | Member | Chairman | Member |
| *Shri SR Ladhkar (PSIDC Nominee) DIN 00015387 | Non Executive Director/ Chairman | 2 | 1 | - | - | 2 | - | - |
| Shri R K Garg DIN 00034827 | Managing Director- Executive | 4 | 3 | - | 4 | 1 | - | - |
| Shri Dheeraj Garg DIN 00034926 | Additional Managing Director- Executive | 4 | 1 | - | - | 1 | 1 | - |
| Prof (Dr) B B Tandon DIN 00035266 | Non Executive- Independent | 4 | 4 | - | - | 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 | 1 | - | - | 3 | - | 1 |

INDIAN ACRYLICS LIMITED

| | | | | | | | | |
|--|---------------------------|---|---|-----|---|---|---|---|
| Shri H K Singhal DIN 00044328 | Finance Director | 4 | 3 | Yes | - | 6 | | 7 |
| Shri Satish Kumar Dua DIN 06949879 | Non Executive Director | 4 | 1 | - | | 2 | - | - |
| Smt. Tejinder Kaur DIN 00512377 | Non Executive-Independent | 4 | 3 | - | | - | - | - |
| **Shri S K Singla (PSIDC Nominee) DIN 00051799 | Non Executive-Director | 4 | 3 | | | | 9 | |

* Shri S R Ladhar, PSIDC Nominee has replaced Shri Yogesh Goel w.e.f. 13/11/2015.

** Shri S K Singla PSIDC Nominee has replaced Shri Ajay Kumar Mahajan w.e.f. 28/05/2015.

- 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:

| Name of Committee | Composition | Terms of Reference |
|----------------------------|--|---|
| Sub-Committee of the Board | Shri R K Garg, (Chairman), Shri M. M. Chopra, Shri B B Tandon, and Shri H K Singhal | <ul style="list-style-type: none"> - 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. | <ul style="list-style-type: none"> - 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, no meeting was held. |
| Audit Committee | Shri M.M. Chopra, (Chairman), Shri H K Singhal Prof. (Dr.) B B Tandon and Smt Tejinder Kaur | <ul style="list-style-type: none"> - 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 M M Chopra, (Dr.) B B Tandon, Smt Tejinder Kaur Shri H K Singhal</p> | <ul style="list-style-type: none"> - Formulated and recommended Nomination and Remuneration Policy. - The Nomination & 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 two meetings. |
| <p>Corporate Social Responsibility Committee</p> | <p>Shri R.K.Garg, Shri Dheeraj Garg Shri A.S.Chatha</p> | <ul style="list-style-type: none"> - 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>Stakeholder Relationship Committee</p> | <p>Shri B.B.Tandon, Shri H.K. Singhal & Shri Bhavnesh K. Gupta</p> | <ul style="list-style-type: none"> - The Committee reviews and ensures redressal of investor grievances. - The Committee noted that during the year the Company received 10 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 2015-2016 except those that are disputed/ sub-judice. - During the year, the committee held four meetings. |
| <p>Secretarial Committee</p> | <p>Shri Dheeraj Garg, Shri H.K. Singhal, & Shri Bhavnesh K. Gupta</p> | <ul style="list-style-type: none"> - 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 21 times during the year. |
| <p>Risk Management Committee</p> | <p>Shri R.K Garg, Shri Dheeraj Garg & Shri Surinder Kansal</p> | <ul style="list-style-type: none"> - 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 |

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.

EMPLOYEES STOCK OPTION (ESOP)

The company does not have any employee stock option scheme.

DETAILS OF EQUITY SHARES OF THE COMPANY HELD BY THE DIRECTORS AS ON 31ST MARCH 2016

| NAME | NO OF SHARES |
|------------------|--------------|
| SH. R.K GARG | 4128444 |
| SH. DHEERAJ GARG | 17294554 |
| SH. H.K SINGHAL | 1210 |

GENERAL BODY MEETINGS

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

| Nature of Meetings | Day | Date | Time | Venue |
|--------------------|----------|------------|----------|--|
| AGM | Tuesday | 29.09.2015 | 11.00 am | At Regd Office at Village Harkishanpura Distt Sangrur (Punjab) |
| AGM | Monday | 29.09.2014 | 11.00 am | Same as above |
| AGM | Saturday | 28.09.2013 | 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 31st March, 2016.
- 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 : To be held on 29th September 2016 at 11.00AM at Regd. Office of the Company.

INDIAN ACRYLICS LIMITED

FINANCIAL CALENDER (Tentative)

| | | |
|---------------------------------------|---|---|
| Results for quarter ending June 2016 | : | Second week of Aug., 2016 |
| Results for quarter ending Sept. 2016 | : | Second week of Nov., 2016 |
| Results for quarter ending Dec. 2016 | : | Second week of Feb., 2017 |
| Results for quarter ending March 2017 | : | Last week of May, 2017 |
| Date of Book Closure | : | From 22nd September 2016 to 29th September 2016 |
| Dividend Payment Date | : | Not Applicable |
| Scrip Code on BSE | : | 514165 |

| (₹./ PER SHARE) | | | | | |
|-----------------------|--------------|-------------|---------------|---------------|-------------------|
| BOMBAY STOCK EXCHANGE | | | | | |
| MONTH | MONTH'S HIGH | MONTH'S LOW | NO. OF SHARES | NO. OF TRADES | NET TURNOVER (₹.) |
| April-15 | 6.80 | 5.03 | 983506 | 2463 | 5895932.00 |
| May-15 | 6.10 | 5.15 | 304420 | 757 | 1738835.00 |
| June-15 | 5.75 | 4.37 | 524091 | 931 | 2562576.00 |
| July-15 | 8.49 | 4.70 | 6217320 | 5601 | 43163479.00 |
| August-15 | 8.70 | 4.92 | 5819037 | 5243 | 43114663.00 |
| September-15 | 5.90 | 4.80 | 911220 | 1416 | 4767268.00 |
| October-15 | 7.60 | 5.21 | 2054038 | 2472 | 12918447.00 |
| November-15 | 9.60 | 6.03 | 6716631 | 5964 | 53999509.00 |
| December-15 | 9.19 | 6.46 | 6815934 | 11452 | 54052506.00 |
| January-16 | 15.30 | 9.10 | 19977810 | 23963 | 258850745.00 |
| February-16 | 13.08 | 9.45 | 4928096 | 5556 | 55393849.00 |
| March-16 | 12.40 | 9.95 | 2081259 | 3539 | 23238053.00 |

Shareholding Pattern as on 31st March 2016

| Sr. No. | Particulars | No. of Shares | % age |
|---------|-----------------------------------|---------------|--------|
| 1. | Promoters, Directors & Associates | 79471414 | 58.73 |
| 2. | Bodies Corporate | 14339216 | 10.60 |
| 3. | FI's & Mutual Funds | 232150 | 0.17 |
| 4. | NRI's | - | - |
| 5. | General Public | 41279382 | 30.50 |
| | Total | 135322162 | 100.00 |

Distribution of shareholding as on 31st March 2016

| Share holding of | | Shareholders | | Share Amount | |
|----------------------|----------------------|--------------|---------------|----------------|---------------|
| Face Value of ₹.10/- | Face Value of ₹.10/- | Number | %age to Total | In ₹. | %age to Total |
| 1 | To 500 | 1,04,223 | 98.95 | 24,43,07,590 | 18.05 |
| 501 | To 1000 | 562 | 0.53 | 4,44,98,810 | 3.29 |
| 1001 | To 2000 | 260 | 0.25 | 3,83,94,470 | 2.84 |
| 2001 | To 3000 | 89 | 0.08 | 2,28,28,350 | 1.69 |
| 3001 | To 4000 | 48 | 0.05 | 1,68,87,410 | 1.25 |
| 4001 | To 5000 | 31 | 0.03 | 1,47,10,400 | 1.09 |
| 5001 | To 10000 | 66 | 0.06 | 4,50,55,510 | 3.33 |
| 10001 | and Above | 51 | 0.05 | 92,65,39,080 | 68.47 |
| | | 105330 | 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. 2E/21, Alankit House, Jhandewalan Extension, New Delhi 110055, as common agency to look after dematerialization of shares as well as for physical transfer of shares. Our Company's capital comprises only of Equity Shares and the company does not have any preference shares, ADRs or GDRs. The company has dematerialized 1255 lakhs equity shares comprising 92.77% 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

INDIANACRYLICS 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

For and on behalf of Board of Directors

Place : Chandigarh
Date : 27.05.2016

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 31st March 2016 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 clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company, we certify that the Company complied with the conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (LODR) Regulations, 2015

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

Place: Chandigarh
Dated: 27th May 2016

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 31st March 2016, 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: 27.05.2016

H. K SINGHAL
Finance Director
DIN-00044328

CEO'S & CFO'S CERTIFICATE WHOMSOEVER IT MAY CONCERN

In Compliance to Regulation 17(8) of SEBI (LODR) 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: 27.05.2016

H. K. SINGHAL
Chief Financial Officer

DHEERAJ GARG
Addl. Managing Director

INDEPENDENT AUDITOR'S REPORT

To the Members of

Indian Acrylics Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Indian Acrylics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, 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 Financial Statements

2. 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

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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.
6. 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.
7. 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

8. 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 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. 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.
10. 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 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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.

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

S.C. Dewan
Partner

Place : Chandigarh
Date : 27.05.2016

M. No.: 015678

INDIAN ACRYLICS LIMITED

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 31st March 2016

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) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (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, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

- (v) The Company has not accepted any deposits within the meaning of Sections 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 account 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 a view to determine whether they are accurate or 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 Lacs) | Amount Paid Under Protest (In Lacs) | Period to which the amount relates | Forum where dispute is pen ding |
|---------------------|---------------------------------------|-----------------------|--|---------------------------------------|------------------------------------|
| 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 | 1.21 | - | 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 & 2004-05 | CESTAT |

- (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.
- (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 and on an overall examination of the balance sheet, we report that no monies have been raised 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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.

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

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

Place : Chandigarh
Date : 27.05.2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDIAN ACRYLICS LIMITED

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, 2016 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, 2016, 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, 2016, 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 27th May 2016 expressed an unqualified opinion.

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

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

Place : Chandigarh
Date : 27.05.2016

BALANCE SHEET AS AT 31ST MARCH, 2016

| PARTICULARS | NOTE NO. | AS AT 31/03/2016 (₹ in lacs) | AS AT 31/03/2015 (₹ in lacs) |
|--|----------|---------------------------------|---------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 1 | 13,532.22 | 13,532.22 |
| (b) Reserves & Surplus | 2 | <u>(5,973.91)</u> | <u>(8,035.44)</u> |
| Total (1) | | <u>7,558.31</u> | <u>5,496.78</u> |
| (2) Share application money pending allotment | | | |
| | | - | - |
| (3) Non- Current Liabilities | | | |
| (a) Long-Term borrowings | 3 | 1,809.31 | - |
| (b) Deferred Tax Liabilities (Net) | - | - | - |
| (c) Other Long Term Liabilities | 4 | 4,906.74 | 3,000.27 |
| (d) Long Term Provisions | 5 | <u>380.03</u> | <u>296.11</u> |
| Total (3) | | <u>7,096.08</u> | <u>3,296.38</u> |
| (4) Current Liabilities | | | |
| (a) Short-Term borrowings | 6 | 1,884.33 | 1,507.03 |
| (b) Trade payable | 7 | 14,074.57 | 12,980.66 |
| (c) Other Current Liabilities | 8 | 1,933.36 | 2,200.14 |
| (d) Short-Term Provisions | 9 | <u>188.23</u> | <u>289.10</u> |
| Total (4) | | <u>18,080.49</u> | <u>16,976.94</u> |
| Total (1 to 4) | | <u>32,734.88</u> | <u>25,770.09</u> |
| II ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | 10 | 9,609.63 | 10,159.69 |
| (ii) Intangible assets | - | - | - |
| (iii) Capital work-in progress | 10 | <u>5,597.86</u> | <u>244.71</u> |
| | | <u>15,207.49</u> | <u>10,404.40</u> |
| (b) Non-Current Investments | | - | - |
| (c) Deferred Tax Assets (Net) | | - | - |
| (d) Long Term Loans and Advances (Security Deposits) | | 123.80 | 104.17 |
| (e) Other Non-Current assets | | - | - |
| Total (1) | | <u>15,331.29</u> | <u>10,508.57</u> |
| (2) Current Assets | | | |
| (a) Current Investments | | - | - |
| (b) Inventories | 11 | 10,084.30 | 9,850.41 |
| (c) Trade Receivables | 12 | 2,863.44 | 1,886.16 |
| (d) Cash and cash equivalents | 13 | 2,234.90 | 1,208.58 |
| (e) Short-Term Loans and Advances | 14 | 2,035.80 | 2,166.75 |
| (f) Other Current Assets | 15 | <u>185.15</u> | <u>149.62</u> |
| Total (2) | | <u>17,403.59</u> | <u>15,261.52</u> |
| Total (1+2) | | <u>32,734.88</u> | <u>25,770.09</u> |

SIGNIFICANT ACCOUNTING POLICIES

25

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 : 27.05.2016

INDIAN ACRYLICS LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

| PARTICULARS | NOTE NO. | AS AT 31/03/2016 (₹. in lacs) | AS AT 31/03/2015 (₹. in lacs) |
|---|-------------|----------------------------------|----------------------------------|
| I. Revenue from Operations | | | |
| Gross Revenue from Operations | 16 | 57,624.17 | 58,622.13 |
| Less: Excise Duty | 16 | 3,604.95 | 3,959.86 |
| a) Net Revenue from Operations | 16 | <u>54,019.22</u> | <u>54,662.27</u> |
| b) Other Income from Operations | 16 | 394.44 | 454.31 |
| II. Other Income | 17 | 0.22 | 0.22 |
| III Total Revenue (I+II) | | <u>54,413.88</u> | <u>55,116.80</u> |
| IV. Expenses: | | | |
| Cost of Materials Consumed | 18 | 33,962.45 | 40,540.54 |
| Purchase of Stock-in-Trade | 19 | 1,634.21 | 3,264.27 |
| Change in Inventories of Finished Goods, work-in-Progress and Stock-in-Trade | 20 | 1,555.79 | (423.46) |
| Employee benefit Expense | 21 | 2,530.33 | 2,107.86 |
| Finance Costs | 22 | 1,759.18 | 1,587.35 |
| Depreciation and amortization expense | 10 | 1,015.25 | 847.54 |
| Other Expenses | 23 | 9,894.14 | 8,947.88 |
| Total Expenses | | <u>52,351.35</u> | <u>56,871.98</u> |
| V. Profit / (Loss) before exceptional and Extraordinary Items and Tax (III - IV) | | <u>2,062.53</u> | <u>(1,755.18)</u> |
| VI. Exceptional Items | 24 | (1.00) | 256.97 |
| VII. Profit / (Loss) before Extraordinary Items (V-VI) | | <u>2,061.53</u> | <u>(1,498.21)</u> |
| VIII. Extra ordinary Items | | - | - |
| IX. Profit / (Loss) before Tax (VII - VIII) | | <u>2,061.53</u> | <u>(1,498.21)</u> |
| X. Tax Expense: | | | |
| Income Tax (MAT) | | - | - |
| XI. Profit / (Loss) from the period from continuing operations IX - X) | | <u>2,061.53</u> | <u>(1,498.21)</u> |
| Earning per share - Basic and Diluted (₹.) | | 1.52 | (1.11) |
| (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 : 27.05.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

| | CURRENT YEAR | (₹. in Lacs) PREVIOUS YEAR |
|---|-----------------|----------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | 2,062.53 | (1,755.18) |
| ADJUSTMENT FOR : | | |
| i) ADD: DEPRECIATION | 1,015.25 | 847.54 |
| ii) ADD: INTEREST & FINANCIAL CHARGES EXPENSES | 1,759.18 | 1,587.35 |
| LESS: INCOME TAX (MAT) | - | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 4,836.96 | 679.71 |
| ADJUSTMENTS FOR : | | |
| TRADE AND OTHER RECEIVABLES | (901.48) | (180.85) |
| INVENTORIES | (233.89) | 1,358.90 |
| TRADE PAYABLES / CURRENT LIABILITIES | 872.80 | (1,309.36) |
| CASH GENERATED FROM OPERATIONS | 4,574.39 | 548.40 |
| CASH FLOW BEFORE EXTRAORDINARY ITEMS | | |
| EXTRAORDINARY ITEMS / PRIOR PERIOD ADJUSTMENT | (1.00) | 256.97 |
| NET CASH FROM OPERATING ACTIVITIES | 4,573.38 | 805.37 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| PURCHASE OF FIXED ASSETS | 5,818.34 | 912.29 |
| SALE OF FIXED ASSETS | - | 1.04 |
| NET CASH USED IN INVESTING ACTIVITIES | 5,818.34 | 911.25 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| INTEREST & FINANCIAL CHARGES PAID | (1,759.18) | (1,587.35) |
| CDR PAYMENT | - | (406.75) |
| TERM LOANS RECEIVED | 2,360.00 | - |
| TERM LOANS REPAYMENTS | (236.01) | (432.76) |
| UNSECURED LOAN (INTER CORPORATE LOANS) PAID/(RECEIVED) | 1,906.47 | 1,600.46 |
| NET CASH USED IN FINANCING ACTIVITIES | 2,271.28 | (826.40) |
| D. NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES | | |
| CASH AND BANK BALANCES (OPENING BALANCE) | 1,208.58 | 2,140.88 |
| CASH AND BANK BALANCES (CLOSING BALANCE) | 2,234.90 | 1,208.58 |

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, 2016 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 : 27.05.2016

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

INDIAN ACRYLICS LIMITED

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

| PARTICULARS | AS AT 31.03.2016 (₹.in Lacs) | | AS AT 31.03.2015 (₹.in Lacs) | |
|--|------------------------------------|-----------------|------------------------------------|----------------|
| NOTE NO. '1' SHARE CAPITAL | | | | |
| AUTHORISED | | | | |
| 1500 Lac (Previous Year 1500 Lac) Equity Shares of ₹. 10/- each | 15,000.00 | | 15,000.00 | |
| ISSUED, SUBSCRIBED AND PAID UP | | | | |
| 135322162 Equity Shares of ₹.10/- each fully paid up. (Previous year 135322162) | 13,532.22 | | 13,532.22 | |
| Total (₹.) | 13,532.22 | | 13,532.22 | |
| No of shares held by Shareholders holding 5% & above:- | | | | |
| 1. SHRI DHEERAJ GARG | 1,72,94,554 | 12.78 | 10,965,889 | 8.10 |
| 2. IFCI LTD | - | - | 9,231,099 | 6.82 |
| 3. SAB INDUSTRIES LTD | 14,793,772 | 10.93 | 14,793,772 | 10.93 |
| 4. SAB UDYOG LTD | 16,880,646 | 12.47 | 16,880,646 | 12.47 |
| 5. PSIDC LTD | 18,330,000 | 13.55 | 18,330,000 | 13.55 |
| NOTE NO. '2' RESERVES & SURPLUS | | | | |
| 1. Capital Reserves | 1,764.44 | | 2,171.19 | |
| Less: Capital Reserves reversed during the year being amount used for recompense settlement under CDR. | - | | 406.75 | |
| Net Capital Reserves | 1,764.44 | | 1,764.44 | |
| 2. Securities Premium Reserves | 39.23 | | 39.23 | |
| 3. Other - General Reserves | 80.00 | | 80.00 | |
| 4. Debit balance of Profit & Loss Account | | | | |
| - Opening Balance | (9,919.12) | | (8,385.77) | |
| - Less: Balance of expired useful life of assets as per Companies Act 2013. | - | | 3 5.13 | |
| - Add: Profit for the year | 2,061.53 | | (1,498.21) | |
| Total | (7,857.58) | | (9,919.12) | |
| Total (₹) | (5,973.91) | | (8,035.44) | |
| NOTE NO. '3' LONG TERM BORROWING | | | | |
| | None Current | Current | None Current | Current |
| Term Loan | | | | |
| - PNB | 889.31 | 168.11 | - | - |
| - SBOP | 920.00 | 171.85 | - | - |
| Total | 1,809.31 | 339.96 | - | - |
| Repayment Schedule | | | | |
| Particulars | 2016-17 | 2017-18 | 2018-19 | 2019-20 |
| Repayment (₹ in lacs) | 339.94 | 314.66 | 314.66 | 314.66 |
| The Term Loans from banks amounting to ₹ 2149.27 lacs (Previous Year ₹ Nil) 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 | | 4,906.74 | | 3,000.27 |
| Total | | 4,906.74 | | 3,000.27 |
| NOTE NO. '5' LONG TERM PROVISIONS | | | | |
| Provisions for Gratuity & Earned Leaves | | 380.03 | | 296.11 |
| Total | | 380.03 | | 296.11 |

| PARTICULARS | AS AT | AS AT |
|-------------|-------------|-------------|
| | 31.03.2016 | 31.03.2015 |
| | (₹.in Lacs) | (₹.in Lacs) |

NOTE NO. '6' SHORT TERM BORROWING

Secured Loans

| | | |
|--|-----------------|-----------------|
| Loans Repayable on demand (from banks) | 1,884.33 | 1,507.03 |
| | <u>1,884.33</u> | <u>1,507.03</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 # | 134.01 | 89.91 |
| - Others | 12,733.75 | 12,727.98 |
| - Capital Goods | 1,206.81 | 162.77 |
| Total | <u>14,074.57</u> | <u>12,980.66</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 | 134.01 | 89.91 |
| Interest due on above and unpaid interest | - | - |
| Interst 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

Other Current Liabilities

| | | |
|---|-----------------|-----------------|
| 1) Current Maturity of Long Term debt * | 339.96 | - |
| 2) Cheques Issued But Not Yet Presented for Payment | 146.38 | 77.15 |
| 3) Trade Advance | 939.89 | 1,877.99 |
| 4) Other Payables ** | 507.13 | 245.00 |
| Total | <u>1,933.36</u> | <u>2,200.14</u> |

* Details are given in Note No.3.

** Includes statutory dues.

NOTE NO. '9' SHORT TERM PROVISIONS

Short Term Provisions

| | | |
|--|---------------|---------------|
| Provisions for Gratuity & Earned Leaves | 51.84 | 65.97 |
| Provisions for Excise Duty on Finished Goods | 39.12 | 163.03 |
| Provisions for Bonus | 48.34 | 10.25 |
| Provision for Others | 48.93 | 49.85 |
| Total | <u>188.23</u> | <u>289.10</u> |

NOTE NO. '10' FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|------------------------|---|--------------------------|---------------------------------------|---|-----------------------------------|------------------------------------|--------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| | Cost As At 01.04.2015 (₹.in Lacs) | Additions (₹.in Lacs) | Sale and Adjustment (₹.in Lacs) | Cost As At 31.03.2016 (₹.in Lacs) | Upto 01.04.2015 (₹.in Lacs) | Retained Earning (₹.in Lacs) | For the year (₹.in Lacs) | Upto 31.03.2016 (₹.in Lacs) | As At 31.03.2016 (₹.in Lacs) | As At 01.04.2015 (₹.in Lacs) |
| a) Land | 264.17 | - | - | 264.17 | - | - | - | - | 264.17 | 264.17 |
| b) Building | 7,627.93 | 16.12 | - | 7,644.05 | 3,628.24 | - | 188.56 | 3,816.81 | 3,827.24 | 3,999.69 |
| c) Plant & Equipments | 35,697.84 | 421.95 | - | 36,119.80 | 29,901.80 | - | 794.11 | 30,695.91 | 5,423.88 | 5,796.04 |
| d) Furniture / Fixture | 218.33 | 3.77 | - | 222.10 | 180.24 | - | 11.62 | 191.86 | 30.24 | 38.09 |
| e) Vehicles | 225.75 | 11.08 | - | 236.83 | 189.93 | - | 10.83 | 200.76 | 36.07 | 35.82 |
| f) Office Equipment | 284.23 | 12.28 | - | 296.51 | 258.35 | - | 10.13 | 268.48 | 28.03 | 25.88 |
| Total (₹.) | 44,318.25 | 465.20 | - | 44,783.46 | 34,158.56 | - | 1,015.25 | 35,173.82 | 9,609.63 | 10,159.69 |
| Previous Year | 41,396.80 | 2922.48 | 1.04 | 44,318.25 | 33,275.89 | 35.13 | 847.54 | 34,158.56 | 10,159.69 | 8,120.91 |

CAPITAL WORK IN PROGRESS

| | As At 31.03.2016 (₹.in Lacs) | As At 01.04.2015 (₹.in Lacs) |
|---|------------------------------------|------------------------------------|
| Advance to Capital Goods Suppliers | 697.59 | 244.71 |
| Building / Plant & Machinery Under Erection /Installation | 4,900.27 | - |
| Total (₹.) | 5,597.86 | 244.71 |

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
- Building & Tubwell
SLM Basis
 - Plant & Machinery
WDV Basis
(for current year has been provided for 351 days (Previous Year 314 days))
 - 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

| PARTICULARS | AS AT 31.03.2016 (₹.in Lacs) | AS AT 31.03.2015 (₹.in Lacs) |
|---|------------------------------------|------------------------------------|
| NOTE NO. '11' INVENTORIES | | |
| (As taken valued and certified by the Management) | | |
| 1. Raw Materials | 5686.33 | 4024.78 |
| 2. Work in Progress | 901.68 | 1,007.55 |
| 3. Finished Goods | 1,991.96 | 3,386.93 |
| 4. Stock in trade | 454.07 | 509.01 |
| 5. Stores and Spares | <u>1,050.26</u> | <u>922.14</u> |
| Total (₹.) | <u>10,084.30</u> | <u>9,850.41</u> |
| 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 | | |
| | 119.09 | 92.44 |
| Less: Provision for bad & doubtful debts | - | 8.93 |
| | <u>119.09</u> | <u>83.51</u> |
| Others - Considered good | <u>2,744.35</u> | <u>1,802.65</u> |
| Total (₹.) | <u>2,863.44</u> | <u>1,886.16</u> |
| Trade receivable include a sum of ₹. 2.43 Lacs (Previous year ₹. 2.43 lacs), maximum during the year ₹. 2.43 lacs (Previous year ₹. 2.43 lacs) receivable from Indlon Chemicals Ltd., an associate Company. | | |
| NOTE NO. '13' CASH & CASH EQUIVALENTS | | |
| Cash-in-Hand | 29.59 | 8.54 |
| Cheques and Drafts in Hand pending Collection | 1,431.74 | 418.96 |
| Balance with Banks | | |
| In current account | 26.05 | 24.76 |
| Fixed Deposit Receipts (Under bank lien) | 747.52 | 756.32 |
| Total | <u>2,234.90</u> | <u>1,208.58</u> |
| NOTE NO. '14' SHORT TERM LOANS & ADVANCES | | |
| (Unsecured considered good) | | |
| (a) Loan and advances to related parties | - | - |
| (b) Other Loan & advances: | | |
| Cenvat Balance | 241.16 | 276.38 |
| Advance to Suppliers | 242.47 | 242.34 |
| Advance to Staff | 60.97 | 50.06 |
| Service tax Receivable | 235.86 | 118.78 |
| Other Advances | <u>1,255.34</u> | <u>1,479.19</u> |
| Total | <u>2,035.80</u> | <u>2,166.75</u> |
| NOTE NO. '15' OTHER CURRENT ASSETS | | |
| Interest Receivable | 125.41 | 84.09 |
| Prepaid Expenses | 39.50 | 50.94 |
| Tax Deducted At Source | <u>20.24</u> | <u>14.59</u> |
| Total | <u>185.15</u> | <u>149.62</u> |

INDIAN ACRYLICS LIMITED

| PARTICULARS | AS AT 31.03.2016 (₹.in Lacs) | AS AT 31.03.2015 (₹.in Lacs) |
|-------------|------------------------------------|------------------------------------|
|-------------|------------------------------------|------------------------------------|

NOTE NO. '16' REVENUE FROM OPERATIONS

a) Net Revenue from Operations

GROSS SALES

| | | |
|---------------------|------------------|------------------|
| - Domestic | 35,630.60 | 38,053.31 |
| - Export | <u>21,993.57</u> | <u>20,568.82</u> |
| - Total | 57,624.17 | 58,622.13 |
| - Less: Excise Duty | <u>3,604.95</u> | <u>3,959.86</u> |
| - NET SALES | <u>54,019.22</u> | <u>54,662.27</u> |

b) Other Income from operations

| | | |
|--|---------------|---------------|
| i) Sale of Scrap | 78.10 | 74.31 |
| ii) Interest Received from Banks | 78.98 | 78.12 |
| iii) Interest Received from Others | 121.42 | 64.05 |
| iv) Interest Received on Income Tax Refund | 1.32 | 0.98 |
| v) Sale of Power | 0.54 | 33.77 |
| vi) Export Incentives | 77.86 | 203.08 |
| vii) Other Income | <u>36.22</u> | <u>-</u> |
| Total | <u>394.44</u> | <u>454.31</u> |

NOTE NO. '17' OTHER INCOME

| | | |
|-------------------|-------------|-------------|
| Misc Income | <u>0.22</u> | <u>0.22</u> |
| Total (₹.) | <u>0.22</u> | <u>0.22</u> |

NOTE NO. '18' COST OF MATERIALS CONSUMED

| | | | | |
|-------------------------|---------------|------------------|---------------|------------------|
| Imported Raw Material | 92.14% | 31,291.82 | 79.58% | 32,260.20 |
| Indegenous Raw Material | 7.86% | <u>2,670.63</u> | 20.42% | <u>8,280.34</u> |
| Total | <u>100.00</u> | <u>33,962.45</u> | <u>100.00</u> | <u>40,540.54</u> |

Value of Imports on CIF basis in respect:

| | | |
|---------------------------|----------|----------|
| Raw Material | 30068.58 | 26387.17 |
| Components & Spares Parts | 371.74 | 264.27 |

NOTE NO. '19' PURCHASE OF STOCK-IN-TRADE

| | | |
|--------------------------|----------|----------|
| Purchase of Goods Traded | 1,634.21 | 3,264.27 |
|--------------------------|----------|----------|

NOTE NO. '20' CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Opening Stock

| | | |
|---------------------|-----------------|-----------------|
| Finished Goods | | |
| - Own Manufactured | 3,386.94 | 1,091.54 |
| - Trading | 509.01 | 2,473.43 |
| - Stocks in Process | <u>1,007.55</u> | <u>915.07</u> |
| Total (₹.) | <u>4,903.50</u> | <u>4,480.04</u> |

Closing Stock

| | | |
|------------------------------|-----------------|-----------------|
| Finished Goods | | |
| - Own Manufactured | 1,991.96 | 3,386.94 |
| - Trading | 454.07 | 509.01 |
| - Stocks in Process | <u>901.68</u> | <u>1,007.55</u> |
| | <u>3,347.71</u> | <u>4,903.50</u> |
| (Increase)/Decrease in Stock | 1,555.79 | (423.46) |

| PARTICULARS | AS AT | AS AT |
|--|---------------------------|---------------------------|
| | 31.03.2016 (₹.in Lacs) | 31.03.2015 (₹.in Lacs) |
| NOTE NO. '21' EMPLOYEE BENEFIT EXPENSES | | |
| EMPLOYEE COST | | |
| Salary & Other Allowances | 1,855.06 | 1,528.48 |
| Contribution to PF & Other Funds | 228.02 | 179.61 |
| Staff Welfare | 228.08 | 181.92 |
| Staff Training & Recruitment | 26.57 | 14.59 |
| Gratuity | 71.70 | 90.27 |
| Managerial Remuneration | | |
| Salary | 73.35 | 69.10 |
| Perquisites / Sitting Fee | 40.28 | 36.61 |
| Contribution towards Provident Fund | 7.27 | 7.27 |
| | 2,530.33 | 2,107.86 |

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 Lacs. 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.

a) Net Employee Benefit Expenses (Recognised in Employees Cost)

| Particulars | (₹ in lacs) | | | |
|--|---------------------------|-----------------------|---------------------------|-----------------------|
| | Earned Leave 2015-2016 | Gratuity 2015-2016 | Earned Leave 2014-2015 | Gratuity 2014-2015 |
| Current service cost | 14.25 | 36.78 | 11.05 | 31.49 |
| Interest cost on benefit obligation | 5.79 | 32.09 | 4.28 | 26.66 |
| Expected Returns on plan assets | 1.54 | 9.20 | 1.63 | 10.66 |
| Net actuarial (gain)/ loss recognised in the period | 4.53 | 12.08 | 19.19 | 42.89 |
| Net benefit expenses recognised in the Profit and Loss a/c | 23.03 | 71.75 | 32.89 | 90.38 |

b) Details of Amount to be recognised in the Balancesheet

| | 2016 | 2015 | 2014 | 2013 |
|--|---------|----------|---------|----------|
| Present Value of obligations as on 31st March 2016 | 89.64 | 472.10 | 79.76 | 410.90 |
| Fair Value of plan assets as on 31st March 2016 | 19.90 | 109.79 | 18.41 | 110.17 |
| Funded status | (69.56) | (362.31) | (61.35) | (300.73) |
| Unrecognised actuarial (gains)/losses | - | - | - | - |
| Defined benefit obligation | (69.56) | (362.31) | (61.35) | (300.73) |
| Less: Unrecognised past service cost | - | - | - | - |
| Net asset/ (liability) recognised in the balance sheet | (69.56) | (362.31) | (61.35) | (300.73) |

Note: The above plans are Funded.

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

| | 2016 | 2015 | 2014 | 2013 |
|---|-------|--------|-------|--------|
| Opening defined benefit obligation | 79.76 | 410.90 | 58.45 | 335.52 |
| Interest cost | 5.79 | 32.09 | 4.28 | 26.66 |
| Past service cost | - | - | - | - |
| Current service cost | 14.25 | 36.78 | 11.05 | 31.49 |
| Benefit paid | 14.85 | 19.48 | 13.12 | 24.70 |
| Actuarial (gains)/ losses on obligation | 4.52 | 11.80 | 19.10 | 41.93 |
| Closing defined benefit obligation | 89.46 | 472.10 | 79.76 | 410.90 |

d) Changes in the Fair Value of plan Assets

| | 2016 | 2015 | 2014 | 2013 |
|---|-------|--------|--------|--------|
| Fair Value of plan assets as at 1st April 2015 | 18.41 | 110.17 | 18.07 | 118.42 |
| Acquisition adjustments | - | - | - | - |
| Expected returns on plan assets | 1.54 | 9.20 | 1.63 | 10.66 |
| Contributions | 14.81 | 10.17 | 11.93 | 6.75 |
| Benefit paid | 14.85 | 19.48 | 13.12 | 24.70 |
| Actuarial (gains)/ losses on plan assets | - | (0.27) | (0.09) | (0.96) |
| Fair Value of plan assets as at 31st March 2016 | 19.90 | 109.79 | 18.41 | 110.47 |

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

| | 2016 | 2015 | 2014 | 2013 |
|--|--|--|--|--|
| Discount rate | 8.00 | 8.00 | 8.25 | 8.25 |
| 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 2016 on CG-Secs of currency and term consistent with those of liability obligations.

INDIAN ACRYLICS LIMITED

| PARTICULARS | AS AT 31.03.2016 (₹.in Lacs) | AS AT 31.03.2015 (₹.in Lacs) |
|---|------------------------------------|------------------------------------|
| NOTE NO. '22' FINANCE COST | | |
| Interest Expenses | 984.10 | 914.83 |
| Other Borrowing Cost | 275.31 | 325.96 |
| Exchange Fluctuation | 499.77 | 346.56 |
| Total (₹.) | <u>1,759.18</u> | <u>1,587.35</u> |
| NOTE NO. '23' OTHER EXPENSES | | |
| 1. MANUFACTURING COST | | |
| Power & Fuel | 5,644.56 | 5,347.95 |
| Repair & Maintenance | 179.08 | 161.72 |
| Stores ,Spares & Consumables | 1,104.95 | 936.96 |
| Other Manufacturing Expenses | 819.33 | 777.50 |
| | <u>7,747.92</u> | <u>7,224.13</u> |
| 2. ADMINISTRATIVE COST | | |
| Rent | 169.88 | 161.05 |
| Rates & Taxes | 20.16 | 15.71 |
| Auditors Remuneration | | |
| Audit Fee including Tax Audit Fee | 8.00 | 8.00 |
| Certification Charges | 2.00 | 2.00 |
| Advertisements & Publicity | 0.49 | 0.70 |
| Insurance | 57.24 | 33.64 |
| Travelling Expenses - Foreign | | |
| - Directors | 35.78 | 16.04 |
| - Others | 51.77 | 56.66 |
| Travelling Expenses - Inland | | |
| - Directors | 0.24 | 4.57 |
| - Others | 129.51 | 117.30 |
| Miscellaneous Expenses | 433.59 | 357.97 |
| | <u>908.66</u> | <u>773.65</u> |
| 3. SELLING & DISTRIBUTION EXPENSES | | |
| - Freight Outward | 175.93 | 129.79 |
| - Others | 21.05 | 16.26 |
| Export Expenses | | |
| - Commission | 149.29 | 69.90 |
| - Freight Forwarding & Clearing Expenses | 891.29 | 734.14 |
| | <u>1,237.56</u> | <u>950.09</u> |
| Total (1+2+3) | <u>9,894.14</u> | <u>8,947.88</u> |

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

NOTE NO. '24' EXCEPTIONAL ITEMS

| | | |
|---|----------------------|----------------------|
| 1. Capital gain on Land Acquired by Govt. | - | 263.30 |
| 2. Prior Period Adjustment | <u>(1.00)</u> | <u>(6.34)</u> |
| Total (₹.) | <u>(1.00)</u> | <u>256.97</u> |

NOTE NO. '25'

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.

iii) **Depreciation :**

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

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

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

iv) **Inventories :**

Inventories are valued 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).

INDIAN ACRYLICS LIMITED

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 31.03.2016 (₹.in Lacs) | As at 31.03.2015 (₹.in Lacs) |
|---|------------------------------------|------------------------------------|
| a) Letters of Credit outstanding for Import of Raw materials / Spares | 2030.82 | 453.33 |
| b) Claims against the Company / disputed liabilities not acknowledged as debts: | | |
| i. In respect of Sales Tax Surcharge on exempted sales | 78.68 | 78.68 |
| ii. In respect of Excise Duty demand on account of valuations & cenvat credit disputes. | 115.93 | 430.88 |
| 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. | 34.80 | 47.15 |
| iv. Others * | 677.00 | 639.00 |

*There was an Arbitration award dated 16.03.2002 of US\$ 10.22 Lacs, approx ₹677 lacs, (Previous Year ₹639 lacs) and interest against the company awarded by Arbitration Panel in the favour of E.I. Dupont (USA). This arbitration award has been dismissed during the year by the Hon'ble High Court. E.I.Dupont (USA) has filed an appeal against this decision. The case has not yet reached its finality and the matter is now Sub-Judice. 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). | ₹. 2,135 lacs | ₹. 549 lacs |
|--|---------------|-------------|
3. a) Previous year figures have been regrouped and rearranged, wherever considered necessary, to make them comparable with those of current year.
b) Figures have been rounded off to the nearest rupee in lacs.
4. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business, unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
5. Note No. 1 to 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)**

A business segment is a distinguishable component of an enterprises that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segments. The Company's Operation predominately comprise of only one segment i.e Manufacture and Sale / Trading of Acrylic Fibre / Yarn and operating from one location. In view of the same, separate segmental information is not required to be given as per the requirements of Accounting Standard 17.

B) SECONDARY SEGMENT (GEOGRAPHICAL 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 31.03.2016 | For the year ended 31.03.2015 |
|---|----------------------------------|----------------------------------|
| Gross sale Revenue by Geographical Segment | | |
| Within India | 35,630.60 | 38,053.31 |
| Outside India | 21,993.57 | 20,568.82 |
| Total | 57,624.17 | 58,622.13 |

The company has common fixed assets, other assets and liabilities for domestic as well as overseas market.

Hence, separate figures for assets and liabilities have not been furnished.

8. The Net Deferred Tax asset of ₹1589.98 lacs as at 31.03.2016 (₹2044.59 lacs upto 31.03.2015) 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 01.04.2015 | For the year 2015-2016 | (₹. in lacs) As at 31.03.2016 |
|---|---------------------|---------------------------|-------------------------------------|
| Deferred Tax Assets being tax impact thereon | | | |
| (i) Tax on unabsorbed losses and / or depreciation carried forward as per Income tax laws. | 2,990.17 | (417.51) | 2,572.66 |
| (ii) Tax on expenses charged in the books, but allowance deferred under Income tax laws | 88.27 | 47.93 | 136.20 |
| Total : | 3,078.44 | (369.58) | 2,708.86 |
| Deferred Tax Liabilities being tax impact thereon | | | |
| (i) Tax on difference between written down value of block of assets as per Income tax laws and written down value of the fixed assets as per books of accounts. | 1,033.85 | (85.03) | 1,118.88 |
| (ii) Others | - | - | - |
| Net Deferred Tax Asset | 2044.59 | (454.61) | 1589.98 |

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

| | | Current Year (₹.in lacs) | Previous Year (₹.in lacs) |
|---|-------|-----------------------------|------------------------------|
| Profit / (Loss) after tax as per profit & loss account | | 2,061.53 | (1,498.21) |
| Less : Dividend and tax thereon in respect of preference shares | | - | - |
| Profit available for the shareholders | (A) | 2,061.53 | (1,498.21) |
| No. of equity shares | (B) | 13,53,22,162 | 13,53,22,162 |
| Earning / (Loss) per share (₹.) (basic & Diluted) | (A/B) | 1.52 | (1.11) |
| Nominal value per equity share | | ₹.10.00 | ₹.10.00 |

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

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

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 | Associates Company | Key Management Personnel (KMP) | Enterprises over which KMP is able to exercise significant influence | Total for Current Year | (₹. in lacs) Total for Previous Year |
|--|-----------------------|-----------------------------------|---|------------------------------|---|
| Purchase of Fixed Assets | NIL | NIL | NIL | NIL | NIL |
| Purchase of goods (net) | NIL | NIL | NIL | NIL | NIL |
| Recoverable at end of the year | ₹.2.43 | NIL | NIL | ₹.2.43 | ₹.2.43 |
| Services availed | NIL | NIL | ₹.6.22 | ₹.6.22 | ₹.6.16 |
| Civil Construction & Maintenance | NIL | NIL | ₹.14.84 | ₹.14.84 | ₹.32.48 |
| Lease Rent paid | NIL | NIL | ₹.3.48 | ₹.3.48 | ₹.3.48 |
| Management Contracts (Salaries) | NIL | ₹.139.03 | NIL | ₹.139.03 | ₹.127.40 |
| Remuneration paid to relatives of KMP during the year. | | | | ₹.2.60 | ₹.2.49 |
| Amounts written off or written back in the period | | | | NIL | NIL |

INDIAN ACRYLICS LIMITED

in respect of debts due from or to related parties.

Note:

- | | | | |
|---|---|---|--|
| 1. Associate Company : | Indlon Chemicals Ltd | | |
| 2. Key Management Personnel : (Whole time Directors) | Mr.R.K.Garg Managing Director | Mr.H.K.Singhal Finance Director | Mr.Dheeraj Garg 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, 2015 | 362.08 | 163.03 | 8.93 | 60.10 |
| Provision made during the year | 69.79 | 39.12 | - | 37.17 |
| Provision written off/ back during the period | - | 163.03 | 8.93 | - |
| Balance at March 31, 2016 | 431.87 | 39.12 | - | 97.27 |

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

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 2015-16 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 ₹169.88 lacs (previous year ₹161.05 lacs). The future minimum lease payments in respect of the non-cancellable operating leases as at 31st March 2016 are:

| | As at 31.03.16 | (₹.in lacs) As at 31.03.15 |
|---|----------------|-------------------------------|
| S.No. Particulars | | |
| a) not later than one year | 89.10 | 79.29 |
| b) later than one year but not later than five year | 335.23 | 282.84 |
| c) later than five year | - | 52.11 |

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 lacs plus interest thereon amounting to US\$ 9.75 lacs from the date of award (16.03.2002) till the date of petition (14.01.2013). The total amount of company claim as already decreed by the court under the arbitration and Conciliation Act 1996 comes to ₹814.49 lacs and same has been treated as Income in the year 2012-13. The management of the company is confident of recovery of these claims.

16. Fixed capital investment on setting up new spinning mill as well as on expansion of earlier 6600 spindles worsted mill is as under:-

| Particulars | Total Expenditure to be incurred (₹ Lacs) | Expenditure incurred up to 31.03.2016 (₹ In lacs) |
|--|--|--|
| (1) Expansion of earlier worsted spinning mill of 6600 spindles | | |
| (a) Phase I Addition of 2880 spindles (Total 9480 spindles) | 730 | 624 |
| (b) Phase II Addition of 3792 spindles (Total 13272 spindles) | 933 | 709 |
| (2) Setting up of new modified cotton type spindles spinning mill of 15360 spindles along with dye house of 12 Mt/day | 6,530 | 4,265 |

We have received term loan of ₹549 lacs during the year against expansion mentioned at Sr. No.1(a) above. Further capital expenditure of ₹ 7463 lacs is proposed to be financed by term loan of ₹ 5224 lacs and promoter assisted unsecured loans of ₹ 2239 lacs. Company has applied for term loans and these are under consideration of the banks.

17. ADDITIONAL INFORMATION PERSUANT TO PROVISIONS OF PARAGRAPHS 5(viii), OF PART II, SCHEDULE III, OF COMPANIES ACT,2013.

| | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|----------------------|---------------|----------------------|
| | Qty.(MT) | Value (₹.in Lacs) | Qty.(MT) | Value (₹.in Lacs) |
| a) Raw Material consumed | | | | |
| i) Acrylonitrile | 36163 | 28371.07 | 28703 | 35537.62 |
| ii) Dimethyl Formamide | 1481 | 852.38 | 1113 | 623.97 |
| iii) Methyl Acrylate | 85 | 110.74 | 9 | 4.05 |
| iv) V.A.M | 2563 | 1691.96 | 2080 | 1923.70 |
| iv) Others | - | 2936.30 | - | 2451.20 |
| b) CIF Value of imported goods | | | | |
| a) Raw Material | | 30068.58 | | 26387.17 |
| b) Components & Spare parts | | 371.74 | | 264.27 |
| c) Consumption of Raw-Materials & Stores and spares | | | | |
| i) Raw Material | %age | (₹ in Lacs) | %age | (₹ in Lacs) |
| a) Indigenous | 7.86 | 2670.63 | 20.42 | 8280.34 |
| b) Imported | 92.14 | 31291.82 | 79.58 | 32260.20 |
| ii) Store and Spares | | | | |
| a) Indigenous | 70.42 | 778.11 | 64.78 | 606.97 |
| b) Imported | 29.52 | 326.84 | 35.22 | 329.99 |
| d) Expenditure in Foreign Currency | | Current Year | | Previous Year |
| a) Directors Travelling | | 27.90 | | 14.14 |
| b) Staff Travelling | | 41.05 | | 18.25 |
| e) Earnings in Foreign Exchange | | 21975.59 | | 20321.90 |
| f) F.O.B Value of Export | | 21975.59 | | 20321.90 |
| g) Expenditure on Employees | | | | |
| i) Employees drawing remuneration of not less than ₹.60,00,000/- per annum (previous year ₹.60,00,000/-) and employed throughout the year : | | | | |
| - No. of Employees | | 1 | | 1 |
| - Salaries and Allowances (₹.in Lacs) | | 96.73 | | 90.10 |
| - Contribution to Provident & Other Fund (₹. in Lacs) | | 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 |

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 : 27.05.2016

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

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

INDIAN ACRYLICS LIMITED

CIN:L24301PB1986PLC006715

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

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

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

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

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

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

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 29th Annual General Meeting of the Company, to be held on Thursday, the 29th day of September 2016, at 11.00 a.m., at Village Harkishanpura, Tehsil Bhawanigarh, Distt. Sangrur (PB) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No. Resolution

Ordinary Business

- Adoption of audited financial statements for the year ended March 31, 2016
- Re-appointment of Sh. Suresh Kumar Singla as a Director
- Appointment of Auditors M/S S. C. Dewan & Co.

Special Business

- Ratification of Remuneration of Cost Auditor
- Approval of Employees Stock Option Scheme 2016

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

Signed this day of September 2016.

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

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

INDIAN ACRYLICS LIMITED

CIN:L24301PB1986PLC006715

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

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

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

ATTENDANCE SLIP

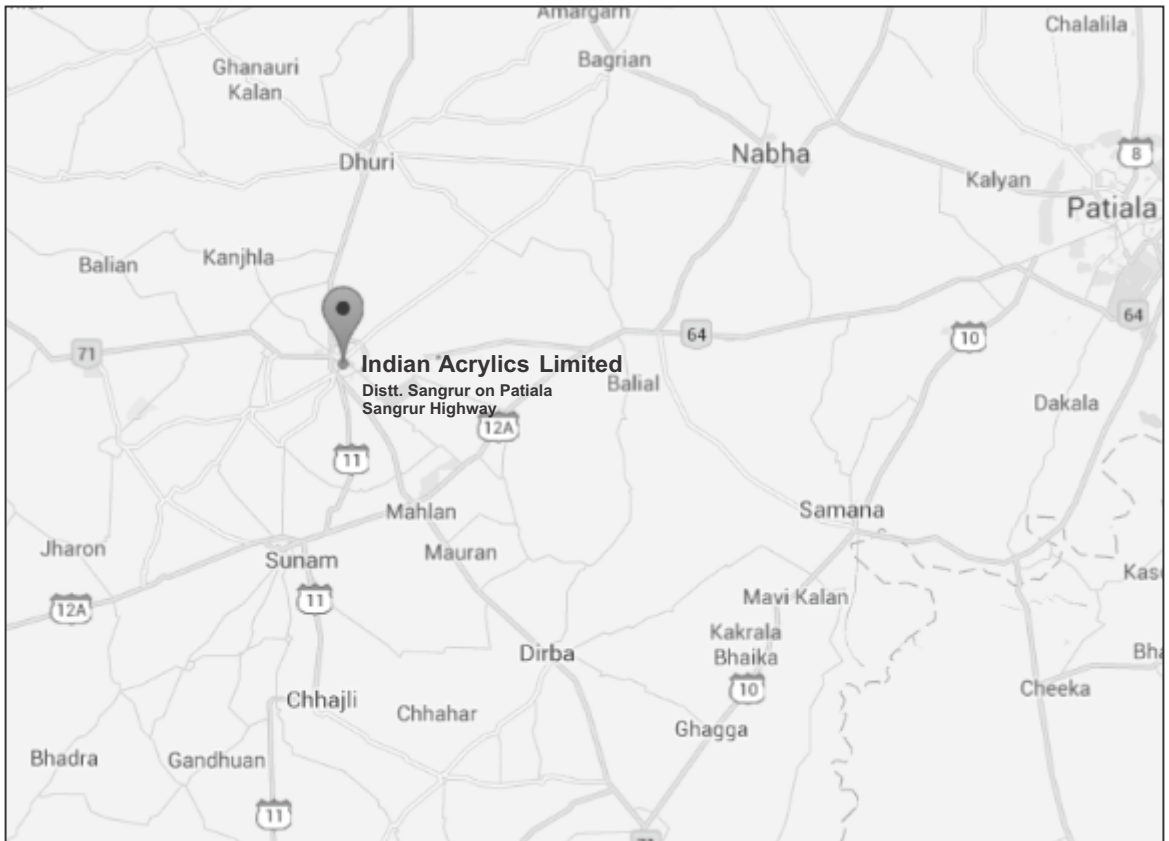
| | |
|---|--|
| NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS) | |
| FOLIO NO. | |
| DP ID NO. | |
| CLIENT ID NO. | |
| NO OF SHARES HELD | |
| NAME OF PROXY (IN BLOCK LETTERS) | |

I, hereby record my presence at the 29th Annual General Meeting of the Company held on Thursday, the 29th day of September 2016, 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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