

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
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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.

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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

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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.

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

Name of Director (DIN)	Sh. Suresh Kumar Singla (DIN: 00051799)
Date of Birth	01/01/1962
Date of first Appointment	28/05/2015
Qualification/ Experience in Specific functional areas	B.Tech. (Textile) from T.I.T. 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