INDIAN ACRYLICS LIMITED

STEEL STRIPS GROUP

Registered Office: Company's Works at Village Harkishanpura,
Distt. Sangrur (Pb.) on Patiala-Sangrur Highway

NOTICE

Notice is hereby given that an Extra-Ordinary General Meeting will be held as scheduled below:

DAY AND DATE	:	***SATURDAY, 17TH DAY OF DECEMBER 2011.***
TIME	:	***11.30 A.M.***
VENUE	:	***COMPANY'S WORKS AT : VILLAGE HARKISHANPURA, DISTT. SANGRUR- 148026 (ON PATIALA-SANGRUR HIGHWAY) . PUNJAB.***

To transact the following special business:

SPECIAL BUSINESS

1. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as a special resolution:-

   "RESOLVED THAT in accordance with the provisions contained in section 198, 269, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 and the schedules thereto, subject to approval of Central Government and Financial Institutions and such other approvals, permissions, if any, as may be necessary, the consent of the Company is accorded for re-appointment of Sh. R K Garg, as Managing Director of the Company w.e.f. 01/03/2012 for three years on the following terms and conditions including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period with usual conditions as per previous appointments :-

i) SALARY : Rs.2,00,000/-(Rs. Two lacs) per month

ii) PERQUISITES : In addition to salary, the perquisites be allowed upto the maximum of Rs.24,00,000/- (Rs.Twenty four lacs only) per annum.

iii) COMMISSION : 5% of the net profits of the Company for each financial year or part thereof computed in the manner laid down under Section 349 of the Companies Act, 1956 so as not to exceed overall ceiling on remuneration laid down in Section 198 and 309 of the Companies Act, 1956.

iv) In addition to the above, the Managing Director shall also be eligible for the following perquisites which shall not be included in computation of the ceiling as specified.

   a) Contribution to provident fund, superannuation fund or annuity fund as per the Rule of the Company, to the extent these-either singly or taken together- are not taxable under the Income Tax Act, 1962.
   b) Gratuity shall be payable at a rate not exceeding half-a-month's salary for each completed year of service.
   c) Encashment of 30 day's leave for each year of working.

"RESOLVED FURTHER THAT in the event of losses or inadequate profits in any financial year during the term of office of Shri R K Garg, as Managing Director, the aforesaid salary and all other benefits and other remuneration/ perquisites, be paid to the appointee as minimum remuneration, subject to ceiling laid down in schedule XIII to the Companies Act, 1956, as amended, modified or re-enacted from time to time."

"RESOLVED FURTHER THAT the above remuneration payable to the Managing Director shall be subject to such conditions or modifications as may be required or imposed by the Central Govt. or any other authority with the liberty to the Board of Director to alter and vary the terms and conditions of his appointment within the maximum permissible limits in accordance with Schedule XIII of the Companies Act, 1956 or any amendments thereof as may be made from time to time."

By order of the Board of Directors

PLACE : Harkishanpura, (Distt. Sangrur) — BHAVNESH K.GUPTA
DATED: 18th November 2011 — COMPANY SECRETARY

NOTES :

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business as set out is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. However, the proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the commencement of the meeting.
3. All documents referred to in the accompanying notice and the Explanatory statement, are available for inspection at the Registered Office of the Company during office hours on all working days between normal business hours up to the date of Extra Ordinary General Meeting and the same shall also be available at the time of Extra Ordinary General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 1

The present tenure of Shri R K Garg, Managing Director will expire on 28/02/2012. Shri R K Garg has been the Managing Director of the Company since 01/03/86 and his appointment had been renewed from time to time with last reappointment made on 01/03/2009 for a period of three years. He has been responsible for conceiving the project and implementing it successfully despite numerous odds. In view of his ability, experience and significant contribution for the project since inception, it is proposed to consider the re-appointment of Shri R K Garg, for a further period of three years w.e.f. 01.03.2012 on the terms and conditions set out in the resolution. The proposal was approved by the "Remuneration Committee" on 29/09/2011. This notice and explanatory statement may be treated as an abstract of the terms of the contract for the reappointment and payment of remuneration to Shri R K Garg, Managing Director within the meaning of Section 302 of the Companies Act, 1956.

Shri Dheeraj Garg, Additional Managing Director of the Company being related to Shri R K Garg, is deemed to be interested in the aforesaid proposed resolution.

STATEMENT GIVING INFORMATION REQUIRED UNDER PART-II SECTION-II (B) SUB-CLAUSE (iv) TO THE SCHEDULE XIII OF THE COMPANIES ACT, 1956 FOR PAYMENT OF REMUNERATION TO SHRI R K GARG, MANAGING DIRECTOR

I.	**GENERAL INFORMATION**	**REMARKS**
(1)	Nature of Industry	The Company is engaged mainly in manufacture and sale/trading of Acrylic Fibre/ yarn
(2)	Date or expected date of commencement of commercial production	Commercial Production started in 1993
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators	The performance of the Company as on 31/03/2011 in terms of general circular no. 12/7/2000-CL-VII, dated 27/12/2000 is as under: (Rs. In lacs) Effective Capital 11400 Net worth 3284 Turnover (gross) 41351 Net Profit/(Loss) after tax 35.59 Dividend declared Nil
(5)	Export performance and net foreign exchange collaborations	FOB value of export and earning in foreign exchange during the financial year ended 31/3/2011 was Rs.10741.98 lacs
(6)	Foreign Investments or collaborators, if any	There is no investment/ foreign technical collaboration in operation at present.
II.	**Information about the appointee**	Shri R K Garg Managing Director
(1)	Background details	He is F.I.E. and has vast experience of 46 years. Shri Garg is the promoter director and is with the Company since inception.
(2)	Past remuneration	Salary Rs.2,00,000 p.m. Commission 5% of net profits Perquisites Same as proposed in present resolution restricted to Rs.24,00,000 Bonus N.A.
(3)	Recognition or awards	Mr. Garg himself is an Awardee of 'UDYOG PATRA'. During his tenure, the Company received 'National Energy Conservation Award, consecutively for three years as also the Export Award by SRTEPC. The Company was also granted Recognition as 'Export-House' and for in-house R&D Unit at plant by Govt. of India. Certificates of Approval for Quality Management Systems by BVQI and of Arch of Europe for Commitment to Quality, Leadership, Technology and Innovation by BID were also received.
(4)	Job profile and his suitability	He is overall in-charge of the Company as Managing Director and looks after new initiatives/ expansion projects and export growth, besides supervision of day to day affairs.
(5)	Remuneration proposed	Proposed remuneration is for 3 years starting from 01/03/2012. Details given in the resolution and explanatory statement of the accompanying notice.
(6)	Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Remuneration package is commensurate with his competence and responsibility in the Company and also with remuneration paid by comparable companies for similar positions.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He is the Promoter Director of the Company. Shri Dheeraj Garg Additional Managing Director of the Company is related to Shri R K Garg.
III.	**Other Information:**	
(1)	Reasons for loss or inadequate profits	- Dependence of Imported raw materials. - Volatility in foreign exchange rates. - Competition with cheaper substitutes.
(2)	Steps taken or proposed to be taken for improvement	The Company is pursuing strategies to augment profit by revenue growth through product innovations, and cost cutting/ value engineering in existing business.
(3)	Expected increase in productivity and profits in measurable terms	The Company is expected to achieve adequate profits within the next 5 years
IV.	**Disclosures:**	
(1)	The shareholders of the Company shall be informed of the remuneration package of the managerial person	The details of remuneration of Shri R K Garg are enclosed in the explanatory statement of the accompanying notice.
(2)	Disclosures required to be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report	Necessary particulars of remuneration required under heads of all Working Directors are given in Corporate Governance Report forming part of the Directors' Report for the financial year ended 31/03/2011.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered E- mail addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. Members who have not registered their email address so far are requested to register their E-mail address, in respect of Electronic holdings with the Depository thro' their concerned Depository Participant. Members who hold shares in physical form are requested to register their E-mail at addresses of the company at **shares@indianacrylics.com** / Registrar and Share Transfer Agents of the Company.

INDIAN ACRYLICS LIMITED

Regd. Office & Works : Village Harkishanpura, Distt. Sangrur (Pb.) on
Patiala Sangrur Highway

(In case the Member is unable to be present in person at the meeting this form may be used.)

PROXY FORM

I/We____

of ______________________________being a member/members of **Indian Acrylics Limited** hereby appoint Mr./ Mrs. /Miss ________________________of ________________or failing him/her, Mr./Mrs./Miss/__________________of

as my/our proxy to attend and to vote for me/us and on my/our behalf at the EXTRA-ORDINARY GENERAL MEETING of the Company to be held on Saturday, the 17th December 2011 at 11:30 a.m.at Company's Registered Office at Village Harkishanpura, Distt. Sangrur (Pb.) - 148 026 on Patiala Sangrur Highway and at any adjournment thereof.

Signed this ________________ day of December 2011.

Regd. Folio No./Client ID No.__________________

Re. 1
Revenue
Stamp

Signature ________________

NOTE :

1. *The Proxy must be deposited at the Registered Office of the Company at least 48 hours before the time for holding the meeting.*
2. *A proxy need not be a member of the Company.*

INDIAN ACRYLICS LIMITED

Regd. Office & Works : Village Harkishanpura, Distt. Sangrur (Pb.) on Patiala Sangrur Highway

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Name of the Member
(IN BLOCK LETTERS)   Registered Folio No./Client ID No................................

Name of the Proxy (IN BLOCK LETTERS)

[To be filled in case the Proxy attends instead of the member (s)]

I hereby record my presence at the EXTRA-ORDINARY GENERAL MEETING held on Saturday, the 17th December 2011 at 11.30 A.M. at Company's Registered Office at Village Harkishanpura, Distt. Sangrur (Pb.) - 148 026 on Patiala Sangrur Highway.

Member's/Proxy Signature
(To be Signed at the time of handing over this slip)

STEEL STRIPS GROUP

If Undelivered please return to :

INDIAN ACRYLICS LIMITED

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

Madhya Marg, Chandigarh - 160 019

BOOK POST

(Printed Material)

Satyadeep, 292, Industrial Area - II Chd. Ph. : 4616343, 5079707