

**33<sup>rd</sup> ANNUAL REPORT  
2016-17**

**GARG ACRYLICS LIMITED.**

## **COMPANY INFORMATION:**

### **BOARD OF DIRECTORS**

Sanjiv Garg	(Din No. 00217156)	(Chairman, Mg. Director)
Rajiv Garg	(Din No. 00444558)	(Managing Director)
Ujjwal Garg	(Din No. 01234439)	(Whole Time Director)
Pardeep Makkar	(Din No. 01259777)	(Independent Director)
Vijay Singhania	(Din No. 01234503)	(Independent Director)
Sahil Goyal	(Din No. 00148380)	(Independent Director)
Arun Sharma	(Din No. 00839359)	(Independent Director)
Ritu Joshi	(Din No. 07141537)	(Independent Director)

### **COMPANY SECRETARY**

Ridhima Sood

### **AUDITORS**

M/s DASS KHANNA & CO.  
Chartered Accountants  
B-XX-2815, 1ST Floor, Gurdev Nagar,  
Pakhawal Road, Ludhiana-141001

### **REGISTRAR & COMMON SHARE TRANSFER AGENT**

M/S Skyline Financial Services Pvt. Ltd.  
246, 1st Floor, Main Iskcon Temple Road,  
Sant Nagar, East of Kailash, New Delhi-110065

### **BANKERS**

Punjab and Sind Bank  
Punjab National Bank  
Oriental Bank of Commerce  
IDBI Bank Ltd  
Allahabad Bank  
Corporation Bank

### **REGISTERED OFFICE**

A-50/1 Wazirpur, Industrial Area,  
Delhi-52

### **CORPORATE OFFICE**

Kanganwal Road, V.P.O Jugiana,  
G.T Road, Ludhiana.  
Telephone: 0161-4692500  
Email: [gargacrylics@yahoo.com](mailto:gargacrylics@yahoo.com)

### **ANNUAL GENERAL MEETING**

On 28<sup>th</sup> Sept., 2017 at 11.00 a.m. at  
A-50/1 Wazirpur, Industrial Area,  
Delhi-52

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**GARG ACRYLICS LIMITED.**  
**(CIN NO. : - L74999DL1983PLC017001)**  
**A-50/1, Wazirpur, Industrial Area, Delhi-52**  
**Website: www.gargltd.com Email: - gargacrylics@yahoo.com**

**NOTICE**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of Garg Acrylics Limited will be held on Saturday the 28<sup>th</sup> day of September 2017 at 11:00 A.M. at the Registered Office A-50/1, Wazirpur Industrial Area, Delhi-52 to transact the following business:-

**ORDINARY BUSINESS:-**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, Profit & Account and Cash Flow Statement for the year ended on that date together with reports of Directors & Auditors thereon.
2. To appoint a director in place of Mr. Sanjiv Garg (DIN 00217156) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and to fix their remuneration and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014, M/s. Malhotra Manik & Associates, Chartered Accountants (Firm Registration No. 015848N), be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in 2022 (subject to the ratification of appointment by members at every AGM) at such remuneration as mutually agreed with the Managing Director of the Company.”

**SPECIAL BUSINESS:-**

**4. INCREASE IN AUTHORISED SHARE CAPITAL:**

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 Sections 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed, the consent of the members of the company be and is hereby granted for increase in the Authorized Share Capital of the Company from Rs. 25,20,00,000/- (Rupees twenty five crore twenty lacs only) divided into 9,00,000 (Nine lacs) equity shares of Rs. 10 (Rupees ten only) each and 2,43,00,000 (two crores forty three lacs) Redeemable Non- Cumulative preference shares of Rs. 10 (Rupees ten only) each to Rs. 31,20,00,000/- (Rupees Thirty One crores Twenty Lacs only) divided into 69,00,000 (Sixty Nine lacs) equity shares of Rs. 10 (Rupees ten only) each and 2,43,00,000 (two crores forty three lacs) Redeemable Non- Cumulative Preference shares of Rs. 10 (Rupees ten only) each and that the existing Clause V of the Memorandum of Association of the Company be replaced with the following new Clause V:

- V The Authorized Share Capital of the Company is Rs. 31,20,00,000/- (Rupees Thirty One crores Twenty Lacs only) divided into 69,00,000 (Sixty Nine lacs) equity shares of Rs. 10 (Rupees ten only) each and 2,43,00,000 (two crores forty three lacs) Redeemable Non- Cumulative Preference shares of Rs. 10 (Rupees ten only) each

“**RESOLVED FURTHER that** for the purpose of giving effect to the above resolution, the Board of Directors of the Company (herein referred to as “the Board” which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to filing of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

## 5. APPROVAL FOR THE ISSUE OF BONUS SHARES

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED that** pursuant to Article 139 of the Articles of Association of the Company and Section 63 and all other applicable provisions if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures), Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, other applicable statutes, the Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed, and subject to such approvals, consents, permissions, and/or sanctions as may be required from the appropriate authorities, institutions or bodies ( hereinafter collectively referred to as the “Concerned Authorities”) and subject to the fulfillment of such conditions, if any, as may be required to be fulfilled in obtaining, or as may be stipulated by the Concerned Authorities from time to time in granting, any such approvals, consents, permissions or sanctions, the consent of the members of the Company be and is hereby accorded for capitalization of such sum standing to the credit of Securities Premium Account of the Company or Profit and Loss Account of the Company under the head **“Reserve and Surplus”** as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in the regard, for the purpose of issue of fully paid up bonus shares of Rs. 10/- (Rupees Ten only) each in the proportion of seven (7) equity share for every one (1) equity share held by the members of the Company whose names appear in the Register of Members maintained by the Company/List of beneficial Owners of the Depository as on the record date to be fixed by the Board in this regard”.

**FURTHER RESOLVED THAT** the new Equity Shares shall be allotted subject to the Memorandum and Articles of Association of the Company and shall rank in all respects pari passu with the existing fully paid up Equity shares as on the “Record Date” save and except that the new Equity Shares shall not be entitled to participate in any dividend declared or to be declared for or in respect of any financial year ended March 31, 2017 and any other dividend that may be declared before the “Record Date” further that they shall be entitled to participate in the dividend, if any, that may be declared in respect of the financial year of the company ending on March 31, 2018 and in respect of subsequent accounting years.

**FURTHER RESOLVED THAT** no allotment letters shall be issued in respect of said Bonus Shares and in case of members who hold shares or opt to receive shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participants and in case of members who hold Equity Shares in Physical form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time frame as stipulated as per Companies Act, 2013 and/or Listing Agreement from the date of allotment thereof by the Board of Directors of the Company or a committee of directors, as the case may be with such extended time as may be allowed by appropriate authorities.

**“RESOLVED FURTHER that** the issue and allotment of the said bonus shares to the extent that relate to Non-Resident Indians, Foreign Nationals, Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies) and other foreign investors of the Company, will be subject to the approval of the Reserve Bank of India or any other regulatory authority, as may be required”.

**FURTHER RESOLVED THAT** the approval of the Company be and is hereby accorded to the Board to consolidate the fractional entitlement and issue these consolidated shares to person(s)/trustee(s) nominated by the Board for this purpose, who shall be deemed to be a trustee on behalf of the shareholders of the Company entitled for the fraction of Equity shares and that such person(s)/trustee(s) shall sell such bonus shares and distribute the net sale proceeds (after deduction of expenses incurred) to the members respectively entitled to the same in proportion of their fractional entitlements.

**“RESOLVED FURTHER that** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such act, deeds, matters and things and execute all such deeds, documents, instruments and writings as may be required and as it may in its sole and absolute discretion deem necessary, expedient or incidental in regard to issue of bonus shares, including filling of any documents with the Securities and Exchange Board of India. Stock Exchanges where the shares of the Company are listed, Depositories, Ministry of Corporate Affairs and/or Concerned Authorities, applying and seeking necessary listing approvals from the Stock Exchanges, and to settle any question, difficulty or doubt that may arise in regard thereto.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution **as an Ordinary Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and Companies Cost Audit rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Meenu & Associates, Cost Auditors, Ludhiana appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, be paid the remuneration of Rs. 50,000/- (Rs. Fifty Thousand Only).

**RESOLVED FURTHER THAT** Sh. Sanjiv Garg, Managing Director be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to this resolution.”

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS**

PLACE: LUDHIANA  
DATED: 14.08.2017

(SANJIV GARG)  
MANAGING DIRECTOR  
DIN: 00217156

**NOTES:-**

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. In order the proxies are effective it should be deposited with registered office of the company not less than forty-eight hours before the time of the meeting.
2. The Register of Members and Share Transfer Register of the company will remain closed from 27<sup>th</sup> September, 2017 to 28<sup>th</sup> September 2017 (Both days inclusive).
3. Members seeking any information with regard to Annual Accounts at the time of meeting are requested to send their queries to the company at least 7 days before the date of meeting so as to enable the management to keep the relevant information ready.
4. Members are requested to notify immediately any change in their address to the company/R.T.A.
5. The information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges regarding the directors seeking appointment/re-appointment in the Annual General Meeting as proposed in Item No. 2 of the notice is also being annexed hereto separately and forms part of this notice.
6. An explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to special business at the meeting is annexed hereto. Members are requested to bring their attendance slips along with their copy of Annual Report to the Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 4**

The current Authorized Share Capital of your Company is Rs. 25,20,00,000/-(Rupees twenty five crore twenty lacs only) divided 9,00,000 (Nine lacs) equity shares of Rs. 10 (Rupees ten only) each and 2,43,00,000 (two crores forty three lacs) Redeemable Non-Cumulative preference shares of Rs. 10 (Rupees ten only) each. The issue of bonus shares as aforesaid would require increase in the Authorized Share Capital of the Company and consequential alteration to the existing clause V of the Memorandum of Association of the Company. The Board of Directors in its meeting held on 14.08.2017 has proposed to increase the Authorized Share Capital to Rs. 31,20,00,000/-(Rupees Thirty One crores Twenty Lacs only) equity share of Rs. 10/- (Rupees ten only) each divided into 69,00,000 (Sixty Nine lacs) equity shares of Rs. 10 (Rupees ten only) each and 2,43,00,000 (two crores forty three lacs) Redeemable Non-Cumulative Preference shares of Rs. 10 (Rupees ten only) each.

Pursuant to the provisions of Section 13, 61, 63 and other applicable provisions of the Companies Act, 2013, the increase in the Authorized Share Capital, alteration of the Capital Clause of the Memorandum of Association and issue of bonus shares of the Company require approval of the members.

Accordingly, the Board recommends the resolution to be passed as a Special Resolutions by the members through Postal Ballot.

**Memorandum of Interest:**

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

**Item No. 5**

The Board of Directors at their meeting held on 14-08-2017, recommended issue of bonus shares in proportion of 7 (Seven) share for every 1 (One) equity shares held by the members on a "Record Date" to be hereafter fixed by Board of Directors, by capitalizing a part of the amount standing to the credit of the Securities Premium Account.

Pursuant to the provisions of Articles of Association of the Company and in terms of Guidelines of Securities and Exchange Board of India (SEBI) and Section 23, 63 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, the capitalization of reserves and bonus issue thereof require approval of the members in general meeting. Further, it is necessary to authorize the Board of Directors of the Company to complete all the regulatory formalities prescribed by Securities and Exchange Board of India (SEBI), the Stock Exchanges on which the Company's securities are listed and any other regulatory authority, in connection with bonus issue.

Accordingly, the resolution seeks the approval of the members for capitalizing Rs. 5,81,24,500 (Rupees Five Crore Eighty One Lac Twenty Four Thousand Five Hundred only) out of the amount standing to the credit of Securities Premium Account and issue of bonus shares out of the same on the terms and conditions set out in the resolution.

Accordingly, the Board recommends the resolution to be passed as a Special Resolutions by the members through Postal Ballot.

**Memorandum of Interest:**

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

**Item No. 6**

Pursuant to the provisions of the Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Cost Audit is required to be conducted in respect of the Cost Accounts maintained by the Company. Upon the recommendations of Audit Committee, the Board of Directors in its meeting held on 30th May, 2017 had appointed M/s. Meenu & Associates, Cost Accountants (Firm Registration No. 100729) as Cost Auditors of the Company to conduct audit of cost records for Financial Year ending 31st March, 2018. The consent of the members is solicited for passing an Ordinary Resolution as set out at Item No. 6 of the notice for ratification of payment of remuneration to the Cost Auditors for the Financial Year ending 31st March, 2018. The Board recommends the Ordinary Resolution as set out at Item No. 6 of the Notice for approval by the shareholders.

**Memorandum of Interest:**

None of the Directors/ Key Managerial Personnel (KMP) of the Company/ their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**Information Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the Directors seeking appointment/ re-appointment in the Annual General Meeting**

<b>Name of the Director</b>	<b>Sh. Sanjiv Garg</b>
Date of Birth	10-11-1960
Date of Appointment	01-08-2010
Qualification	B.Com
Expertise in Specific Area	Industrialist & Business Experience of 36 years in Textile and Iron & Steel Industry.
Directorship in other Companies as on 31 <sup>st</sup> March, 2017	Pushpa Yarns Private Limited. Indo Global Infratech Private Limited Raja Devi Investment and Trading Co Pvt Ltd
Chairman/ Member of Committees of other Companies as on 31 <sup>st</sup> March, 2017	-----
Shareholding in the Company	18100
Relationship With Other Director	Mr. Rajiv Garg is the brother and Mr. Ujjwal Garg is the son of Mr. Sanjiv Garg.

**GARG ACRYLICS LIMITED.**  
**(CIN NO.:- L74999DL1983PLC017001)**  
**A-50/1, Wazirpur, Industrial Area, Delhi-52**  
**Website: www.gargltd.com Email: - gargacrylics@yahoo.com**

**DIRECTOR'S REPORT**

The Members of  
Garg Acrylics Limited

The Directors of your company have pleasure in presenting the 33<sup>rd</sup> Annual Report together with the Audited Accounts for the year ended March 31, 2017.

**1. FINANCIAL RESULTS:**

	<b>(Rupees in Lacs)</b>	
	<b>2016-17</b>	<b>2015-16</b>
Operating Income	121365.72	125805.01
Profit before depreciation	9753.96	8829.38
Depreciation	7683.51	7427.26
Profit before taxation	2070.45	1402.12
Provision for taxation		
- Current year tax	629.71	278.77
- Mat Credit Entitlement	0.00	165.76
- Deferred Tax Assets (Liabilities)	38.16	129.80
Profit after tax	1478.90	1418.92
Balance brought forward	8396.49	7577.57
<b>Sub Total</b>	<b>9875.39</b>	<b>8996.49</b>
<b>Appropriations:</b>		
- Transferred to General Reserve	600.00	600.00
- Balance carrying amount of fixed assets*	0.00	0.00
- Balance carried over to Balance Sheet	<b>9275.39</b>	8396.49
<b>Sub Total</b>	<b>9875.39</b>	<b>8996.49</b>
<b>Earning per Share</b>		
- Basic	178.11	170.88
- Diluted	178.11	170.88
<b>Dividend per Share</b>	Nil	Nil

**2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

**A) BUSINESS REVIEW:**

**Economic Outlook:**

Global economy grew at 2.3% in 2016, compared to growth of 2.7% in previous year. Against weak global growth, expansion in Indian economy was noteworthy. Despite some decline in growth due to slowdown in manufacturing and demonetization, India remained the fastest growing major economy with ~7.1% growth (forecasted). While the demonetization of ` 500 and ` 1,000 currency bill impacted consumer demand for some time, the economy weathered the storm well and came out fairly unscathed. Considering India's growth is primarily driven by Government spending and private consumption, latter of which got impacted by demonetization, strong growth numbers provided a lot of comfort on the strength of the economy.

India's exports grew at its fastest pace in five years by 4.7% to \$274.65 billion during the financial year 2016- 17, despite the demonetization drive that slowed domestic economic activity since November 2016. Many new initiatives taken by the Government in the form of Make-in-India, Invest India, Start up India and e-biz Mission Mode Project under the national e-governance plan are facilitating investment and ease of doing business in the country.

India also saw passing of long awaited GST bill. GST is likely to be implemented from July 1st and will provide a huge fillip to industry as it simplifies the tax structure in the country significantly and will likely provide an impetus



to the private investment in the country. While in the long term, implementation of GST is a positive development, its impact, especially on exports, in the near future is still unclear as many export incentives are likely to be discontinued. The net impact of the new tax law will be known only after further details are shared. Domestically, however, the new law is likely to dilute the present tax arbitrage, which is available to unorganized players, moving the market towards organized players. Country is still facing challenges on account of lower service exports and weak manufacturing growth. Indian currency strengthened significantly against US\$ towards the end of the year creating another set of challenge for Indian exporters. By the end of FY2017, Indian rupee was at its highest level against both USD and EUR in almost one and a half years.

**Cotton:**

For the 2016-17 season, cotton production in the country is estimated at 351 lakhs bales, up from 338 lakhs bales produced last year. Coupled with inventory of last year and imports, total supply of cotton in FY16-17 is likely to be 411 lakhs bales vis-à-vis supply of 424 lakhs bales in FY15-16. Marginal fall in supply and heightened speculation in the commodity prices has driven the prices of cotton higher.

Over the last two years, area under cultivation for cotton has fallen significantly as the farmers have moved on to more remunerative crops. However, the cultivation patterns are likely to change now. Seed cotton prices for current year are almost 20% higher than the previous year, giving an impetus to increased cotton plantation. Also, while Government of India is emphasizing pulse crop planting, cotton is expected to provide a higher price realization as compared to other competing crops, thus resulting in increased acreage under cotton plantation. Even this year, in spite of the reduced area, India remains the largest cotton producer in the world.

**Company’s Future Outlook:**

In the financial year 2016-17 except for certain debottleneck processes no major expansion has been planned.

**B) FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:**

**Sales Review:**

During the year under review, your Company has registered Revenue from Operations of Rs.1213.65 crore as compared to Rs. 1258.05 crore. The exports of the Company were Rs. 547.09 crore as against Rs. 473.47 crore in the previous years.

**Production:**

The production during the year 2016-17

Yarn	Garments	Knitted Cloth
54628.110 M.T	1901719 Pieces	1420491.895Kg

**Profitability:**

The Company earned profit before depreciation, interest and tax of Rs. 155.63 crore as against Rs. 149.33 crores in the previous year. After providing for depreciation of Rs. 76.83 crore (Previous year Rs. 74.27 crore), interest cost of Rs. 58.09 Crores (Previous Year Rs. 61.03 Crore), provision for tax Rs. 6.30 crore (Previous year Rs. 2.78 crore), provision for deferred tax (net of adjustments) Rs. (0.38) crore (previous year Rs. (1.30) crore), the net profit from operations worked out to Rs. 14.79 crore as compared to Rs. 14.19 crore in the previous year.

**Resources Utilization:**

**i) Fixed Assets:**

The fixed assets (including work-in-progress) as at 31st March, 2017 were Rs. 467.80 crore as compared to Rs. 549.96 crore in the previous year.

**ii) Current Assets:**

The current assets as on 31st March, 2017 were Rs. 553.44 crore as against Rs. 564.34 crore in the previous year. Inventory level was at Rs. 333.68 crore as compared to the previous year level of Rs. 314.84 crore.

**C) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The company has a system of internal controls in place to ensure that all the transactions are properly recorded and authorised.

#### **D) MANAGEMENT PERCEPTION OF RISK AND CONCERN:**

The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, mainly cotton, which is the largest component of cost. Since cotton is an agriculture produce, it suffers from climatic volatility in the major cotton producing countries. This in turn creates uncertainties for textile manufacturers. Another important issue is the availability, quality and price of power. The availability of good quality power at reasonable prices is critical for sustainability of the industry. However, the cost of power has been continuously increasing, adding to input cost pressure in the industry. The non -availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry. We are making all efforts to cope up with the challenges through continuous cost reduction, process improvements, diversification of products, rationalization of costs, training the workforce on the continued basis, improving efficiencies and creating a strong customer oriented approach.

#### **E) HUMAN RESOURCES:**

The company is of firm belief that the Human Resources are the driving force that propels a company towards the progress and success. The company has strength of 3912 employees at present. The company is continuing its efforts for improvement in work culture wherein employees can contribute to their potential. The Industrial relations continued to remain cordial during the year under review.

#### **3. SHARE CAPITAL:**

The paid up Equity Share capital as on 31<sup>st</sup> March, 2017 was Rs.20.83 Crores. During the year under review, the company has neither issued any shares nor granted stock options and sweat equity.

#### **4. DIVIDEND:**

To conserve the financial resources for future growth of the company, the Board of Directors do not recommend any dividend for the year under review.

#### **5. TRANSFER TO RESERVES:**

The Company has transferred Rs. 600.00 Lacs to reserves.

#### **6. SUBSIDIARY, JOINT VENTURES & ASSOCIATE COMPANY:**

As on March 31, 2017, the Company does not have any Subsidiary, Joint Ventures & Associate Company.

#### **7. MATERIAL CHANGES BETWEEN THE DATE OF BOARD REPORT AND END OF THE FINANCIAL YEAR:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

#### **8. CHANGE IN NATURE OF BUSINESS:**

There is no change in the nature of the business of the company

#### **9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as required under Section 134 (3)(m) of The Companies Act, 2013 read with Companies (Disclosure of Particulars in the report of Directors) Rules 1988 is annexed and forms part of this report as **Annexure-I**.

#### **10. PARTICULARS OF LOAN GIVEN, INVESTMENT MADE, GUARANTEE GIVEN:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All Related Party transactions entered during the financial year were on arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with the Company's promoters, Directors, Management or their relatives, which could have any conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval. There was no material contract or arrangement or transactions with Related Party during the year. Thus, disclosure in Form AOC-2 is not required.

Your Directors draw attention of the members to Note 34 to the financial statement which sets out related party disclosures.

## **12. DEPOSITS:**

The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2017. There were no unclaimed or unpaid deposits as on March 31, 2017.

## **13. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Sanjiv Garg, Managing Director of the company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

None of Directors of the company is disqualified under Section 164(2) of the Companies Act, 2013.

## **14. DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

## **15. REMUNERATION POLICY:**

The Nomination & Remuneration Committee of the Company has formulated the Nomination & Remuneration Policy on Director's appointment. The remuneration policy includes 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 Nomination & Remuneration Policy is annexed hereto and form part of this report as **Annexure –II**.

## **16. AUDITOR & AUDITOR'S REPORT:**

As per the provisions of the Act, the period of office of M/s Dass Khanna & Co., Chartered Accountants, Ludhiana, the Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

## **17. SECRETARIAL AUDIT REPORT:**

M/s R.K. Loomba & Associates, Companies Secretaries in practice were appointed as a Secretarial Auditor of the Company by the board of directors for the financial year 2016-17. The Secretarial Auditor of the Company has submitted their report in Form No. MR-3 as required under Section 204 of Companies Act 2013 for the financial year ended 31<sup>st</sup> March, 2017. No adverse comments have been made in the said report by the Practicing Company Secretary. Their Report form parts of this Report as **Annexure-III**

## **18. COST AUDITORS:**

The Board of Directors has appointed M/s Meenu & Associates, Cost Accountants as the Cost Auditors of the Company to conduct Cost Audit of the Accounts for the financial year 2017-18. However, as per provisions of Section 148 of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, the remuneration to be paid to the Cost Auditors is subject to ratification by members at the Annual General Meeting. Accordingly, the remuneration to be paid to M/s Meenu & Associates, Cost Accountants for financial year 2017-18 is placed for ratification by the members.

## **19. NUMBER OF BOARD MEETINGS:**

Eleven (11) meetings of the Board of Directors of the company were held during the Financial Year 2016-17.

## **20. AUDIT COMMITTEE:**

The Audit committee comprises of Independent Directors namely Mr. Pardeep Makkar (Chairman), Mr. Vijay Singhania and Mr. Arun Sharma as other members. Miss Ridhima Sood is the Secretary of the committee. All the recommendations made by audit committee were accepted by the board.

## **21. CORPORATE GOVERNANCE:**

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance forming part of the Annual Report of the Company is annexed hereto. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Corporate Governance Clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the report on Corporate Governance.

## **22. EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return in Form No. MGT-9 as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 duly certified by the Practicing Company Secretary is annexed hereto and forms part of this report as **Annexure-IV**.

## **23. CORPORATE SOCIAL RESPONSIBILITY:**

The Corporate Social Responsibility Committee of the Company has formulated and recommended to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The disclosures related to CSR activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014 is annexed hereto and form part of this report as **Annexure - V**.

## **24. STATEMENT OF PARTICULARS OF EMPLOYEES:**

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Information pertaining to employees pursuant to section 134 of the Companies Act, 2013 is Nil.

The disclosures in respect of managerial remuneration as required under section 197(12) read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and form part of this report as **Annexure-VI**.

## **25. VIGIL MECHANISM:**

The Vigil Mechanism of the Company, which also incorporates a whistle blower Policy in terms of the Listing Agreement aims to provide a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman/ Chairman of the Audit Committee in exceptional cases.

## **26. INDUSTRIAL RELATIONS:**

The Industrial relations remained cordial through out the year and have resulted in sustained growth of the company.

## **27. ANNUAL EVALUATION MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

The Board of Directors has evaluated the performance of the Board, its Committees and the Individual Directors as per the Nomination and Remuneration Policy. The Independent directors of the Company also review the performance of Non- Independent Directors and the Board.

## **28. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134 (3) (c) & (5) of the Companies Act, 2013, the Directors report that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

- ii) The Directors have 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/loss of the company for that period.
- iii) The Directors have 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.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) 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.

**29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**30. LISTING:**

The company's equity shares are listed at The Delhi Stock Exchange Limited, DSE House 3/1 Asif Ali Road, New Delhi & the Ludhiana Stock Exchange Limited, Feroze Gandhi Market, Ludhiana. The listing dues upto financial year 2011-12 has been paid to both Stock Exchanges.

**31. DEMATERIALISATION:**

M/s Skyline Financial Services Private Limited, New Delhi is the Registrar and Share Transfer Agent (RTA) of the company. All activities relating to company's listed securities physical and in Demat (form) are being undertaken by Skyline Financial Services Private Limited. The address & contact nos. are:-

M/S Skyline Financial Services Pvt. Ltd.  
D-153A, First Floor,  
Okhla Industrial Area,  
Phase-1, New Delhi-110020.  
Tel: 011- 64732681 - 88  
Fax: 011-26812682

The members are advised to send their shares to R.T.A.

**32. ACKNOWLEDGEMENTS:**

The Directors wish to extend their sincere thanks to State & Central Government Agencies, Financial Institution and Banks, Suppliers and Customers for their continued support and co-operation.

The Directors also wish to place on record their deep appreciation for the services rendered by the workers & staff at all levels.

**By order of the Board  
For GARG ACRYLICS LIMITED**

**PLACE: LUDHIANA  
DATED: 30.05.2017**

**(SANJIV GARG)  
MANAGING DIRECTOR  
DIN: 00217156**

## ANNEXURE-I

### Particulars of Energy Conservation, Technology Absorption and foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

Additional information as required under Section 134 (3)(m) of The Companies Act, 2013 read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 and forming part of the Director's Report for the year ended on 31<sup>st</sup> March, 2017.

#### I. CONSERVATION OF ENERGY

- |   |  |
|---|--|
| (a) the steps taken or impact on conservation of energy:                      | Conservation of energy has been given major priority during selection and approval of Plant & Machinery. In day-to-day operations, the company has always been conscious of the need to conserve energy and has always attempted various measures on suggestions of experts in the areas where reduction in energy and fuel & oil consumption is possible. |
| (b) the steps taken by the company for utilizing alternate sources of energy: | Nil  |
| (c) the capital investment on energy conservation equipments:                 | Nil  |

#### II. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

##### 1. Efforts made towards technology absorption:

The latest technology has been adopted in the plant to get better product quality and to reduce consumption of scarce raw material and energy.

##### 2. Particulars of technology imported in last five years.

- |  |      |
|--|------|
| a) Technology Imported :               | Nil  |
| b) Year of import:                     | N.A. |
| c) Has technology been fully absorbed: | N.A. |

##### 3. The expenditure incurred on Research and Development: NIL

#### III. FOREIGN EXCHANGE EARNING & OUTGO

The Company has continued to maintain focus and avail of export opportunities based on economic considerations. There have been concentrated efforts to maintain and improve exports performance and to meet the need of end users.

Foreign Exchange	<u>Current Year</u>	<u>Previous Year</u>
Earned (FOB value of exports)	Rs.5470941430.00	Rs.4734663241.00
Used (CIF value of Imports)	Rs.947416112.00	Rs.418478150.00

PLACE: LUDHIANA  
DATED: 30.05.2017

(SANJIV GARG)  
MANAGING DIRECTOR  
DIN: 00217156

## **ANNEXURE-II**

### **Nomination & Remuneration Policy of the Company:**

#### **1. PREFACE:**

In terms of the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this policy on Nomination and Remuneration of Directors and Senior Management has been formulated by the Committee and approved by the Board of Directors in their meeting held on 30<sup>th</sup> May, 2014.

#### **2. ROLE OF THE COMMITTEE:**

- a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to Board their appointment and removal.
- b) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- c) To recommend to the Board remuneration policy related to remuneration of Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and other employees while ensuring the following:-
  - i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors to run the Company successfully.
  - ii) That relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - iii) That remuneration to Directors, Key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate for the working of the Company and its goals.
- d) To formulate criteria for evaluation of Directors and the Board.
- e) To devise a policy on Board diversity.

#### **3. MEMBERSHIP:**

- a) The Committee shall consist of a minimum 3 Non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **4. CHAIRMAN:**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **5. FREQUENCY OF MEETINGS:**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **6. COMMITTEE MEMBERS' INTERESTS:**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **7. VOTING:**

- a) Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **8. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board meetings.

#### **9. EFFECTIVE DATE:**

This policy will be effective from 30<sup>th</sup> May, 2014 and may be amended subject to the approval of Board of Directors.

#### **ANNEXURE-III**

##### **Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016**

*(Pursuant to section 204(1) of the Companies Act, 2013 and rules made thereunder)*

To,

The Members,  
Garg Acrylics Limited  
Delhi

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Garg 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 the Company'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 on 31.03.2016 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 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) issued by the institute of Company Secretaries of India.



- (v) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

As informed in our last report, with the derecognition of regional stock exchanges the name of the company has been moved to dissemination Board of BSE Limited. The company is trying to get its shares listed on MSEI Limited and is taking up issues with various authorities. At present the company is treated as unlisted company.

I further report that there were no action/ events in pursuance of;

1. 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;
2. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008;
3. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
4. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
5. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

requiring compliance thereof by the company during the financial year.

I have checked Compliance Management System of the Company to obtain reasonable assurance about the adequacy of the systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis and based on the information provided by the company, its officers and authorised representatives during the conduct of the Audit and also on the review of Reports by respective department heads/ CS/ CEO taken on record by the whole time directors of the company in my opinion adequate system and processes and control mechanism exists in the company to monitor and ensure compliance with applicable General Laws like Labour Laws and Environmental Laws.

I further report that compliances by the company of applicable financial laws like Direct and Indirect Laws are not reviewed in this audit since the same have been subject to review by statutory financial audit and by other designated professionals.

I further report that Board of Directors of the company is duly constituted with proper balance of Executive, Non-executive 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 were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all directors, 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.

As per the Minutes of the meetings duly recorded and signed by the Chairman the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, there are adequate systems and process 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 further specific events/ actions in pursuance of above referred laws, rules, regulations and guidelines etc. having a major bearing on the company's affairs.

Date: 30.05.2017

Place: Ludhiana

Rajesh Kumar  
R. K. Loomba & Associates  
Company Secretaries  
FCS-3359 / CP-4029

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure 'A'

To,  
The Members  
Garg Acrylics Limited  
Delhi.

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we 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. Our 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.

Date: 30.05.2017

Place: Ludhiana

Rajesh Kumar  
R. K. Loomba & Associates  
Company Secretaries  
FCS-3359 / CP-4029

## ANNEXURE-IV

**EXTRACT OF ANNUAL RETURN**  
(FORM NO. MGT 9)  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of  
the Company (Management & Administration) Rules, 2014.  
As on financial year ended on 31.03.2017

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>									
1	CIN	L74999DL1983PLC017001							
2	Registration Date	22 November, 1983							
3	Name of the Company	GARG ACRYLICS LIMITED							
4	Category/Sub-category of the Company	Company Limited By Shares Indian Non Government Company							
5	Address of the Registered office & contact details	A-50/1, Wazirpur Industrial Area, Delhi							
6	Whether listed company	Yes							
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/S Skyline Financial Services Pvt. Ltd D-153A, First Floor, Okhla Industrial Area, Phase-1, New Delhi							
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>									
(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	Cotton Yarn	5205				48.48%			
2	Blended Yarn	5509 ; 5206				27.15%			
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>									
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section				
The Company has no holding, subsidiary and associate company.									
<b>IV. SHARE HOLDING PATTERN</b>									
(Equity share capital breakup as percentage of total equity)									
<b>(i) Category-wise Share Holding</b>									
Category of shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	-	132,450	132,450	15.95%	-	132,450	132,450	15.95%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	334,960	334,960	40.34%	-	334,960	334,960	40.34%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A)</b>	-	<b>467,410</b>	<b>467,410</b>	<b>56.29%</b>	-	<b>467,410</b>	<b>467,410</b>	<b>56.29%</b>	<b>0.00%</b>
<b>(1)</b>									

(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	-	<b>467,410</b>	<b>467,410</b>	<b>56.29%</b>	-	<b>467,410</b>	<b>467,410</b>	<b>56.29%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	168890	168,890	20.34%	0	168890	168,890	20.34%	0.00%
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	104,050	104,050	12.53%	0	104050	104,050	12.53%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	90,000	90,000	10.84%	0	90000	90,000	10.84%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%

Corporate Bodies									
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	-	<b>362,940</b>	<b>362,940</b>	<b>43.71%</b>	-	<b>362,940</b>	<b>362,940</b>	<b>43.71%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	-	<b>362,940</b>	<b>362,940</b>	<b>43.71%</b>	-	<b>362,940</b>	<b>362,940</b>	<b>43.71%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			-	0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	-	<b>830,350</b>	<b>830,350</b>	<b>100.00%</b>	-	<b>830,350</b>	<b>830,350</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ARUN NANDA	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
2	VIMAL NANDA	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
3	SUNIL NANDA	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
4	RAVI NANDA	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
5	RAJ NANDA	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
6	JAGDISH.K.JAIN	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
7	ARUN.K.AGGARWAL	10	0.00%	0.00%	10	0.00%	0.00%	0.00%
8	SANJIV GARG	18,100	2.18%	0.00%	18,100	2.18%	0.00%	0.00%
9	SANJIV GARG & SONS (HUF)	100	0.01%	0.00%	100	0.01%	0.00%	0.00%
10	D.P.GARG & SONS (HUF)	16,680	2.01%	0.00%	16,680	2.01%	0.00%	0.00%
11	PUSHPA DEVI	17,100	2.06%	0.00%	17,100	2.06%	0.00%	0.00%
12	RENU GARG	8,100	0.98%	0.00%	8,100	0.98%	0.00%	0.00%
13	NEELU GARG	7,100	0.86%	0.00%	7,100	0.86%	0.00%	0.00%
14	UJJWAL GARG	5,100	0.61%	0.00%	5,100	0.61%	0.00%	0.00%
15	RAJIV GARG	18,100	2.18%	0.00%	18,100	2.18%	0.00%	0.00%
16	RAJIV GARG & SONS (HUF)	100	0.01%	0.00%	100	0.01%	0.00%	0.00%
17	DAVINDER GARG & SONS (HUF)	100	0.01%	0.00%	100	0.01%	0.00%	0.00%
18	DAVINDER GARG	18,100	2.18%	0.00%	18,100	2.18%	0.00%	0.00%
19	VANEERA GARG	16,600	2.00%	0.00%	16,600	2.00%	0.00%	0.00%
20	TOSHAH GARG	7,100	0.86%	0.00%	7,100	0.86%	0.00%	0.00%
21	SHUBHAM YARNS PVT.LTD	187,190	22.54%	0.00%	187,190	22.54%	0.00%	0.00%

22	GAL COTTEX PVT.LTD	132,990	16.02%	0.00%	132,990	16.02%	0.00%	0.00%
23	PUSHPA YARNS PVT LTD	3,200	0.39%	0.00%	3,200	0.39%	0.00%	0.00%
24	GARG FINCAP LIMITED	11,580	1.39%	0.00%	11,580	1.39%	0.00%	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change) – N.A

**(iv) Shareholding Pattern of top ten Shareholders**

*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year (As on 31-Mar-2016)		Shareholding at the end of the year (As on 31-Mar-2017)		% Change in during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
	<b>Name</b>					
1	Himachal Yarns Limited	59,840	7.21%	59,840	7.21%	0.00%
2	Ashwani Aggarwal	45,000	5.42%	45,000	5.42%	0.00%
3	Sumit Aggarwal	45,000	5.42%	45,000	5.42%	0.00%
4	Apoorva leasing finance & Inv Co Ltd	30,000	3.61%	30,000	3.61%	0.00%
5	Shiva Spinfab Private ltd	26,800	3.23%	26,800	3.23%	0.00%
6	Brijeshwari Textiles Private ltd	21,000	2.53%	21,000	2.53%	0.00%
7	Shiv Narayan Investments Private ltd	16,250	1.96%	16,250	1.96%	0.00%
8	Balmukhi Textiles Private ltd	15,000	1.81%	15,000	1.81%	0.00%
9	Mange Ram	1,500	0.18%	1,500	0.18%	0.00%
10	Pritpal Singh	1,500	0.18%	1,500	0.18%	0.00%

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (As on 31-Mar-2016)		Shareholding at the end of the year (As on 31-Mar-2017)		% Change in during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
	<b>Name</b>					
1	Mr. Sanjiv Garg, MD	18,100	2.18%	18,100	2.18%	0.00%
2	Mr. Rajiv Garg, MD	18,100	2.18%	18,100	2.18%	0.00%
3	Mr. Ujjwal Garg, WTD	5,100	0.61%	5,100	0.61%	0.00%
4	Mr. Sahil Goyal, Director	-	-	-	-	-
5	Mr. Arun Sharma, Director	-	-	-	-	-
6	Mr. Vijay Singhania Director	-	-	-	-	-
7	Mr. Pardeep Makkar, Director	-	-	-	-	-
8	Mrs. Ritu, Director	-	-	-	-	-
9	Mr. Ramandeep Singh, CFO	-	-	-	-	-
10	Miss. Ridhima Sood, CS	-	-	-	-	-

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness (Amt. Rs./Lacs)
	Short Term	Long Term			

<b>Indebtedness at the beginning of the financial year</b>						
i) Principal Amount	31757.17	38205.79	2761.31	-	72724.27	
ii) Interest due but not paid	-	-	-	-	-	
iii) Interest accrued but not due	-	221.49	46.22	-	267.71	
<b>Total (i+ii+iii)</b>	<b>31757.17</b>	<b>38427.28</b>	<b>2807.53</b>	<b>-</b>	<b>72991.98</b>	
<b>Change in Indebtedness during the financial year</b>						
* Addition	2044.73	144.58	108.17	-	2297.48	
* Reduction	-	6234.99	2692.40	-	8927.39	
<b>Net Change</b>	<b>2044.73</b>	<b>(6090.41)</b>	<b>(2584.23)</b>	<b>-</b>	<b>(6629.91)</b>	
<b>Indebtedness at the end of the financial year-</b>						
i) Principal Amount	33801.90	32155.92	223.30	-	66181.12	
ii) Interest due but not paid	-	-	-	-	-	
iii) Interest accrued but not due	-	180.95	-	-	180.95	
<b>Total (i+ii+iii)</b>	<b>33801.90</b>	<b>32336.87</b>	<b>223.30</b>	<b>-</b>	<b>66362.07</b>	
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>						
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>						
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount	
	<b>Name</b>	<b>Mr. Sanjiv Garg</b>	<b>Mr. Rajiv Garg</b>	<b>Mr. Ujjwal Garg</b>	<b>(Rs/Lac)</b>	
	<b>Designation</b>	<b>MD</b>	<b>MD</b>	<b>WTD</b>		
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1845000	1845000	1537500	5227500	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
	Commission					
4	- as % of profit	-	-	-	-	
	- others, specify	-	-	-	-	
5	Others, please specify	-	-	-	-	
	<b>Total (A)</b>	<b>1845000</b>	<b>1845000</b>	<b>1537500</b>	<b>5227500</b>	
	<b>Ceiling as per the Act</b>	<b>10% of Net Profit</b>				
<b>B. Remuneration to other Directors</b>						
SN.	Particulars of Remuneration	Name of Directors				Total Amount
<b>1</b>	<b>Independent Directors</b>	<b>Mr. Sahil Goyal</b>	<b>Mr. Arun Sharma</b>	<b>Mr. Pardeep Makkar</b>	<b>Mr. Vijay Singhania</b>	<b>(Rs/Lac)</b>
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify- Professional Fees As approved from Central Government	-	-	385,000	-	385,000
	<b>Total (1)</b>	-	-	<b>385,000</b>	-	<b>385,000</b>
<b>2</b>	<b>Other Non-Executive</b>	<b>Mrs. Ritu</b>				

	<b>Directors</b>	<b>Joshi</b>				
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	<b>385,000</b>	-	<b>385,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total (Rs/Lac)
	Name & Designation	Mr. Ramandeep Singh, CFO*	Miss Ridhima Sood, CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	236387	343047	579434
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>236387</b>	<b>343047</b>	<b>579434</b>
	<b>* Appointed w.e.f 20.09.2016</b>			

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding				Nil	
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding				Nil	
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding				Nil	

(SANJIV GARG)  
CHAIRMAN  
DIN: 00217156



## ANNEXURE- V

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2016-17:

**1. Brief outline of CSR Policy:-** The thrust areas for CSR includes promotion of education, environment protection and energy conservation, development of human capital, rural development, women empowerment, any other project/ programme pertaining to activities listed in Rules.

**2. Composition of CSR Committee: -** The CSR Committee of the Company consists of:

- i) Mr. Sanjiv Garg - Chairman
- ii) Mr. Rajiv Garg - Member
- iii) Mr. Arun Sharma - Member

**3 Average net profit of the Company for last three financial years – Rs. 20.17 crore**

**4 Prescribed CSR Expenditure – 0.40 crore**

**5 Details of CSR spent during the year:**

- i) Total amount to be spent for the financial year: - 0.02 crore
- ii) Amount unspent, if any: - 0.38 crore
- iii) Manner in which the amount spent during the financial year: -

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads:		Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
			(1) Local area or other	(2) Specify the State and district where projects or programs was undertaken		(1) Direct expenditure on projects or programs	(2) Overhead		
1.	Renovation/ Extension of Govt. School	Promoting education	Village Jugiana & Kanganwal	Ludhiana, Punjab	Rs.0.05Cr	Rs.0.02 Cr	-----	Rs.0.02 Cr	-----

**6 In case the Company has failed to spend two percent, reason thereof:-**

The Company has spent Rs.0.02 crores in the financial year 2016-17 on activities as provided above. The Company has been scouting for projects and initiatives which are consistent with its stated CSR policy but such proposals have taken time to fructify. All pending CSR proposals are expected to be taken up shortly.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:-**

I, Sanjiv Garg, Chairman of the CSR Committee of Garg Acrylics Limited undertake that the implementation and monitoring of CSR policy, is in compliance with CSR objectives of the Company.

**SANJIV GARG  
CHAIRMAN  
DIN: 00217156**

## Annexure VI

The information required pursuant to Section 197 read with Rule 5 (1) and (2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished hereunder:

(1) (i)

(Rs.in Lacs)

Name of the Director/KMP	Designation	Remuneration in Fiscal 2016-17	% Increase in remuneration from previous year	Ratio of Remuneration to MRE*	Comparison of Remuneration of KMP against the performance of the Company	
					% of Net Profit	% of Turnover
Sh. Sanjiv Garg	Managing Director	18.45	-	7.53	0.89	0.015
Sh. Rajiv Garg	Managing Director	18.45	-	7.53	0.89	0.015
Sh. Ujjwal Garg	Whole Time Director	15.375	-	6.27	0.74	0.012
Mr. Ramandeep Singh	Chief Financial officer	2.36	-	0.96	0.11	0.002
Miss Ridhima Sood	Company Secretary	3.43	-	1.40	0.16	0.002

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

\*MRE- Median Remuneration of Employee based on annualized salary. The expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values

(ii) The median remuneration of employees of the Company during the financial year was Rs. 2.45 lac p.a.

(iii) In the financial year, there was an increase of 8% in the median remuneration of employees;

(iv) There were 3912 permanent employees on the rolls of the Company as on March 31, 2016;

(v) **Relationship between average increase in remuneration and Company performance:-**

The following factors are considered while giving increase in the remuneration:

- (a) Financial performance of the Company,
- (b) Comparison with peer companies, and
- (c) Industry benchmarking and consideration towards cost of living adjustment/ inflation.

(vi) **Comparison of remuneration of the Key Managerial Personnel(s) against the performance of Company: -**

For the financial year 2016-17 Key Managerial Personnel were paid 2.52 % and 0.042 % of the net profit and turnover respectively of the Company.

(vii) (a) **Variation in market capitalization of the Company:**

The Shares of the Company are not being traded regularly as the trading platforms at both the stock exchanges are not functioning. Thus the market capitalization as on March 31, 2017 was Nil.

(b) **Price Earnings ratio of the Company:**

The Shares of the Company are not being traded regularly as the trading platforms at both the stock exchanges are not functioning. Thus Price Earnings ratio of the Company was Nil as on March 31, 2017.

(c) **Percent increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year: -**

There has not been any public offer by the Company in last year.

- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 8% whereas the percentile increase in the managerial remuneration for the same financial year was Nil.
- (ix) The key parameters for the variable component of remuneration availed by the Managing Director and whole time director is based on his performance and Company's performance
- (x) 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 :- Not applicable
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.
- (2) **Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 60 lac per annum: - Nil**
- (3) **Employed for a part of the financial year and separated, were in receipt of remuneration at the rate of not less than Rs. 5 lac per month:- Nil**

(SANJIV GARG)  
MANAGING DIRECTOR  
DIN: 00217156

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

The company believes in and practices good Corporate Governance. The company's essential character is shaped by the very values of transparency, professionalism and accountability. The company continuously endeavors to improve on these aspects on an ongoing basis.

### 2. BOARD OF DIRECTORS

The Board of Directors along with its committees provide leadership and guidance to Company's management as also direct, supervise and control the performance of the Company. The Company has a broad mix of Independent & Non Independent directors. The Board currently comprises of 8 directors out of which 5 are independent non executive directors and all the independent Directors have confirmed that they meet 'independence' criteria as mentioned under the existing clause 49 of the Listing Agreement and Section 149 of the Act. The composition and category of Directors as on 31<sup>st</sup> March, 2017 are as follows:-

Category	Name of Directors
Promoter/Executive Directors	Mr. Sanjiv Garg Mr. Rajiv Garg Mr. Ujjwal Garg
Independent/Non-Executive Directors	Mr. Pardeep Makkar Mr. Vijay Singhania Mr. Sahil Goyal Mr. Arun Sharma Mrs. Ritu

Attendance of each director at the Board Meeting, last Annual General Meeting and number of other directorship and chairmanship/membership of Committee of each Director in various companies.

Name of Director	Attendance Particulars		No. of other Directorship and Committee membership/ Chairmanship		
	Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Rajiv Garg	11	Present	4	None	None
Mr. Ujjwal Garg	11	Present	None	None	None
Mr. Sanjiv Garg	11	Present	4	None	None

Mr. Pardeep Makkar	11	Present	None	None	None
Mr. Vijay Singhania	11	Present	1	None	None
Mr. Sahil Goyal	11	Present	5	None	None
Mr. Arun Sharma	11	Present	3	None	None
Mrs. Ritu	11	Present	None	None	None

Mr. Sanjiv Garg, Mr. Rajiv Garg and Mr. Ujjwal Garg are related among themselves, none of the other director is related to any other Director of the company.

During the financial year 2016-17, the Board of Directors met 11 times on the following dates 30-05-2016, 18-07-2016, 13-08-2016, 15-09-2016, 14-11-2016, 19-11-2016, 12-12-2016, 06-01-2017, 14-02-2017, 01-03-2017 & 30-03-2017.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a system has been put in place to carry out performance evaluation of the Board, its Committees and individual directors. An appraisal format has been devised covering various aspects of the Board's functioning such as adequacy of composition of the board and its Committees, board process, culture and accountability etc. Similarly, a separate format is also formulated for carrying out evaluation of the performance of individual Directors including the Chairman of the Board, which inter-alia include parameters such as level of engagement and contribution, understanding of industry and global trends, and independence of judgement etc.

### **Board Familiarization Programme**

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company. The Director is also explained in detail the compliance required from him / her under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfill his / her role as Director of the Company.

### **3. COMMITTEES OF BOARD**

Currently the Board has Four Committees: the Audit Committees, Nomination and Remuneration Committee, Stakeholders Relationship Committee (Shareholders Grievance Committee), & Corporate Social Responsibility Committee.

#### **a) AUDIT COMMITTEE**

The Audit Committee comprises of three non-executive director's viz. Shri Pardeep Makkar as Chairman, Shri Vijay Singhania and Sh. Arun Sharma as members. The broad terms of reference of the Audit committee includes to discuss the reports of Statutory Auditors, Internal Auditors as well as Cost Auditors of the company. The appointment of Statutory and Cost Auditors are recommended by the Audit Committee. All the financial statements of the company are first reviewed by the Audit Committee before presentation to the Board of Directors. Audit Committee also reviews the company's financial and risk management policies, management discussion and analysis of financial condition, results of operations and statement of significant related party transactions at periodic basis.

#### **Meeting & Attendance**

The Audit Committee met five times during the year on 30-05-2016, 13-08-2016, 15-09-2016, 14-11-2016 and 14-02-2017 and all the members of the Audit Committee have attended all the meetings.

#### **b) NOMINATION AND REMUNERATION COMMITTEE**

The remuneration committee comprises of three non-executive director's viz. Shri Pardeep Makkar as Chairman, Shri Vijay Singhania and Sh. Arun Sharma as members. The broad terms of reference of the Remuneration Committee include recommendation to the Board on salary/perquisites, commission and retirement benefits and finalization of the perquisite package payable to the company's Whole-time/ Executive Directors & KMP. The remuneration policy of the company is directed towards rewarding performance based on review of achievement on periodic basis.

## Meeting & Attendance

The Audit Committee met two times during the year on 30-05-2016 & 15-09-2016 and all the members of the Committee have attended the meeting.

### Detail of Remuneration paid to the Directors during the financial year is as given below:-

#### (i) Executive Directors

Sr.	Name	Designation	Salary (In Rs)	Monitory Value of Non-Cash Perks (In Rs)	Total (In Rs)
1.	Mr. Sanjiv Garg	Managing Director	1800000/-	45000/-	1845000/-
2.	Mr. Rajiv Garg	Managing Director	1800000/-	45000/-	1845000/-
3.	Mr. Ujjwal Garg	Whole-Time Director	1500000/-	37500/-	1537500/-

#### (ii) Non Executive Directors

Mr. Pardeep Makkar Chartered Accountant has been paid professional fee of Rs. 385000. Other non executive directors have not been paid any remuneration /Sitting fees during the year.

#### c) STAKEHOLDER RELATIONSHIP COMMITTEE

To specifically look after the share transfer work and to look into the redressal of complaints like transfer of shares, non-receipt of annual report and non-receipt of dividend etc., the company has set up a Stakeholder Relationship Committee (Shareholders/Investor Grievance Committee). The committee consists of three members viz. Sh. Pardeep Makkar, Director, as the Chairman and Sh Vijay Singhania and Sh. Rajiv Garg Directors as members.

The Board has designated Miss Ridhima Sood, Company Secretary as Compliance Officer. The total numbers of letters/complaints received and replied to the satisfaction of shareholders during the year ended 31st March 2017 were Nil. No requests for transfer/dematerialization were pending for approval as on 31<sup>st</sup> March, 2017.

## Meeting & Attendance

The Stakeholder Relationship Committee met once during the year on 30-05-2016 and all the members of the Stakeholder Relationship Committee have attended the meeting.

#### d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of Company Act, 2013, the Company constituted "Corporate Social Responsibility Committee". The Committee comprises of two executive directors & one independent director as follow:-

<u>Sr.</u>	<u>Name</u>	<u>Nature of Directorship</u>	<u>Status In Committee</u>
1.	Mr. Sanjiv Garg	Executive Director	Chairman
2.	Mr. Rajiv Garg	Executive Director	Member
3.	Mr. Arun Sharma	Independent Director	Member

The purpose of the committee is to formulate and monitor the CSR policy of the Company.

## Meeting & Attendance

The Corporate Social responsibility Committee met once during the year on 30-05-2016 and all the members of the Corporate Social responsibility Committee have attended the meeting.

#### e) WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Sh. Rajiv Garg, Director of the company appointed as Vigilance Officer to hear the grievances of the employees and take steps to resolve the issues amicably and report the same to the Chairman of the Company. During the year under review, no employee was denied access to the Committee.

#### 4. SHAREHOLDING OF THE DIRECTORS AS ON 31<sup>ST</sup> MARCH 2017

The shareholding of the Directors in the equity share capital of the company is given hereunder:-

<u>Name of the Director</u>	<u>Number</u>
Mr. Sanjiv Garg	18100
Mr. Rajiv Garg	18100
Mr. Ujjwal Garg	5100

No other Directors hold any shares in the Equity Capital of the Company.

#### 5. GENERAL BODY MEETINGS

The detail of General Body Meeting held during last three financial years are given hereunder:-

Type of Meeting	Date	Location of Meeting	Time
EGM	25.03.2017	Registered Office, at A-50/1, Wazirpur Industrial Area, Delhi-52	11.00 A.M
32 <sup>nd</sup> AGM	30.09.2016		11.00 A.M
31 <sup>st</sup> AGM	30.09.2015	Registered Office, at 209, M.G. House, Community Centre, Wazirpur Industrial Area, Delhi-52	11.00 A.M
EGM	27.12.2014		11.00 A.M
30 <sup>th</sup> AGM	30.09.2014		11.00 A.M
EGM	25.03.2014		11.00 A.M

The company has not passed any resolution through Postal Ballot during the financial year 2016-17.

#### 6. INDEPENDENT DIRECTOR'S MEETING

During the year, the Independent Directors met on 30<sup>th</sup> March, 2017 to

- Review the performance of Non-Independent Directors and the Board as a whole.
- Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the board that is necessary for the Board to effectively and reasonably perform their duties.

#### 7. DISCLOSURES

During the year, there was no material/significant transaction with the directors or the management, or relatives etc that have any potential conflict with the interest of the company at large. Also there has not been any non-compliance by the company in respect of which penalties or strictures were imposed by the Stock Exchange or SEBI or any other statutory authority during the last three years. The management has not denied any Personnel access to Audit Committee of the company (in respect of matters involving alleged misconduct) and that it has provided protection to whistle blowers from unfair termination and other unfair prejudicial employment practices. Further, the company has complied with all mandatory requirement of clause 49 of the listing Agreement. The company may also take up the non-mandatory requirements of clause 49 in due course of time.

#### 8. MEANS OF COMMUNICATION

The company communicates with the shareholders at large through its Annual Reports, disclosures of financial results and by filing of various reports with the statutory bodies like stock exchanges and the Registrar of Companies.

The management discussion & analysis forms part of Annual Report, which is mailed to the shareholders of the company.

#### 9. GENERAL SHAREHOLDER INFORMATION

- 33<sup>rd</sup> Annual General Meeting  
Date: 28<sup>th</sup> September 2017  
Time: 11.00 A.M.  
Venue: Registered Office:  
A-50/1, Wazirpur Industrial Area, Delhi-52

- ii) **Financial Calendar 2017-18 (Tentative)**  
 First Quarter Results : August, 2017  
 Second Quarter Results : November, 2017  
 Third Quarter Results : February, 2018  
 Fourth Quarter Results : May, 2018
- (iii) **Date of Book Closure** : 27.09.2017 to 28.09.2017
- (iv) **Dividend Payment Due** : Within 30 days after declaration.
- i) **Listing:** The Securities of the company are listed on the following Stock Exchanges:-
- a. The Delhi Stock Exchange Ltd. (DSE)  
 DSE House, 3/1 Asaf Ali Road,  
 New Delhi-110002
  - b. The Ludhiana Stock Exchange Ltd. (LSE) –  
 Feroze Gandhi Market,  
 Ludhiana- 141001.

The listing dues upto financial year 2011-12 has been paid to DSE & LSE.

- ii) **Stock Code:**
- a. The Ludhiana Stock Exchange Ltd. (LSE) -
  - b. The Delhi Stock Exchange Ltd. (DSE) - 4396

iii) **Stock Market price data for the year 2016-17**

Due to non-functioning of trading platform at the two stock exchanges, the company's shares have not been traded during the financial year 2016-17, as such information about stock price data is nil.

iv) **Registrar & Transfer Agent**

The work related to share transfer registry in terms of both physical and electronic mode is being dealt at Single Point with M/s Skyline Services Private Ltd. New Delhi. The address is given below:-

M/S Skyline Financial Services Pvt. Ltd.  
 D-153A, First Floor,  
 Okhla Industrial Area,  
 Phase-1, New Delhi-110020.  
 Tel: 011- 64732681 - 88  
 Fax: 011-26812682

v) **Share Transfer System**

The company's shares are dealt in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time.

vi) **Compliance Officer**

Miss Ridhima Sood

vii) **Distribution of shareholding as on 31<sup>st</sup> March, 2017**

Range No. of Shares	Shareholders Numbers	Shareholders % of Total	Shares Numbers	Shares % of Total
Upto 500	121	47.64	19420	2.34
501 to 1000	102	40.16	73100	8.80
1001 to 2000	9	3.54	11900	1.43
2001 to 3000	0	0	0	0
3001 to 4000	1	0.39	3200	0.39
4001 to 5000	0	0	0	0
5001 to 10000	4	1.58	27400	3.30

10001 & Above	17	6.69	695330	83.74
<b>Total</b>	<b>254</b>	<b>100.00</b>	<b>830350</b>	<b>100.00</b>

viii) **Dematerialization of Shares**

As on 31.03.2017 Nil Equity Shares were dematerialized.

ix) **Plant Locations**

: Kanganwal Road, V.P.O. Jugiana, G.T. Road, Ludhiana, Punjab  
 : Village Paddi, Sahnewal Delhon Road, G.T.Road, Ludhiana, Punjab  
 : Village Jeau Singh Walla, Talwandi Saboo, District Bathinda, Punjab

x) **Address for Correspondence:-**

Regd. Office : A-50/1, Wazirpur Industrial Area, Delhi-52.  
 Corporate Office : Kanganwal Road, V.P.O. Jugiana,  
 G.T. Road, Ludhiana-141120  
 Telephone : 0161-4692500  
 Fax : 0161-2510084  
 Email : [gargacrylics@yahoo.com](mailto:gargacrylics@yahoo.com)

**DECLARATION**

I Sanjiv Garg, Managing Director of Garg Acrylics Limited declare that all Board members and senior Management Personal have affirmed compliance with code of conduct for Board & Senior Management personal for the year ended 31st March 2017.

**Place: LUDHIANA.**  
**Date: 30-05-2017**

**SANJIV GARG**  
**MANAGING DIRECTOR**  
**DIN: 00217156**



**DASS KHANNA & COMPANY  
CHARTERED ACCOUNTANTS**

**Tel. 2403029, 2401230  
Fax. No. 0161-2409672  
B-XX-2815, IST Floor  
GURDEV NAGAR  
PAKHOWAL ROAD  
LUDHIANA-141001**

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Auditors Certificate on Compliance of Corporate Governance under Corporate Governance Clause of the Listing Agreement (s)

To  
The Members of  
Garg Acrylics Limited

We have examined the compliance of conditions of corporate governance by Garg Acrylics Limited for the year ended on March 31, 2017 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchanges and as per the relevant applicable provisions of the SEBI (Listing obligations and disclosure requirements) Regulation, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned listing agreement/SEBI (Listing obligations and disclosure requirements) Regulation, 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

FOR DASS KHANNA & CO.  
CHARTERED ACCOUNTANTS  
(Registration No. 000402N)

Place: Ludhiana  
Dated: 30-05-2017

Rakesh Soni  
Partner  
M.N. 83142

## **INDEPENDENT AUDITORS' REPORT**

**To the Members of GARG ACRYLICS LIMITED.**

### **Report on the Financial Statements**

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

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

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 and presentation 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 Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 .This responsibility includes maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

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 31st March 2017 and its profits and its cash flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 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 Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement 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 Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014
  - e) On the basis of written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013; and
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company & the operating effectiveness of such controls, refer to our separate report in "Annexure-B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the Company does not have any pending litigations which would impact its financial position.
    - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with books of accounts maintained by the Company. Refer to Note 44 to the financial statements.

**For DASS KHANNA & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Regn. No. 000402N)

Place: Ludhiana  
Dated: 30-05-2017

RAKESH SONI  
PARTNER.  
Membership No. 83142

## Annexure-A to Auditors' Report

### Garg Acrylics Limited- Financial Year ended 31-03-2017

Referred to in paragraph 1 under the heading of "Report on other legal and Regulatory requirements" of our report of even date.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information & explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable property are held in the name of the Company.
- (ii) The inventories have been physically verified by the management in a phased Periodical manner, which in our opinion are reasonable and adequate in relation to the size of the Company and the nature of its business. Accordingly to information and explanation given to us no material discrepancies were noticed on such physical verification.
- (iii) In our opinion and according to 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 iii (a),(b) & (c) of the Companies (Auditor's Report) Order 2016 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted loans or provided any guarantee or security to the party covered under section 185 of the Act. However, in respect of investments, the company has complied with provisions of section 186 of the Act.
- (v) The Company has not accepted deposits within the meaning of Section 73 to 76 or other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the companies Act, 2013 and we 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 records.
- (vii) (a) The Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax / value added tax, service tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31.03.2017 for a period of more than six months from the date they became payable except as stated hereunder:-.

Nature of Statute	Nature of Dues	Amount (Rs.)	Due Date	Actual date of payment
The Punjab Labour Welfare Fund Act, 1965	Labour Welfare Fund	Rs. 66,892.00	15.04.2016	04.05.2017

- (b) According to the information and explanation given to us, there are no dues of sale tax / value added tax, income tax, customs duty, excise duty, cess and service tax which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of Loans or borrowings to financial institutions/banks & Government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised. However, the company has not raised any money by initial public offering (IPO) and further public offering (FPO) during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the company by its officer or employees has been noticed or reported during the course of audit.
- (xi) According to the information and explanations given to us, Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, 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 company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For DASS KHANNA & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Regn. No. 000402N)

Place: Ludhiana  
Dated: 30-05-2017

RAKESH SONI  
PARTNER.  
Membership No. 83142

## **Annexure-B to Auditors' Report**

### **Garg Acrylics Limited- Financial Year ended 31-03-2017**

**Referred to in paragraph 2 (f) under the heading of "Report on other legal and Regulatory requirements" of our report of even date.**

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

We have audited the internal financial controls over financial reporting of GARG ACRYLICS LIMITED ("the Company"), as of 31st March, 2017 in conjunction with our audit of the financial statements of the company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the guidance note on audit of internal financial control over financial reporting issued by the Institute of Chartered Accountant of India (ICAI). These responsibilities includes 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 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 Guidance Note on Audit of internal financial controls over financial reporting ("the Guidance Note") and standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 ("the Act") to the extent applicable to an audit of Internal financial controls, both applicable to an audit of internal financial controls and both issued by Institute of Chartered Accountants of India. Those Standards and 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 internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting including 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 Auditor's Judgement, 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 Company's internal financial controls system over financial reporting .

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

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company

- 2 Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 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 to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the guidance note on Audit of internal financial control over financial reporting issued by the Institute of Chartered Accountant of India (ICAI).

**For DASS KHANNA & CO.**  
CHARTERED ACCOUNTANTS  
(Firm Regn. No. 000402N)

Place: Ludhiana  
Dated: 30-05-2017

RAKESH SONI  
PARTNER.  
Membership No. 83142

**GARG ACRYLICS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Notes	AS AT	
		March 31, 2017 (Rs. P)	AS AT March 31, 2016 (Rs. P)
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	3	208303500.00	208303500.00
Reserves and Surplus	4	<u>2356832356.41</u>	<u>2522805797.84</u>
		<b>2565135856.41</b>	<b>2731109297.84</b>
<b>2 Non-Current Liabilities</b>			
Long-term borrowings	5	2587221450.33	3477071799.61
Deferred tax liabilities (Net)	6	147993074.00	151808776.00
Long-term provisions	7	<u>21111094.00</u>	<u>20925523.00</u>
		<b>2756325618.33</b>	<b>3649806098.61</b>
<b>3 Current Liabilities</b>			
Short-term borrowings	8	3380190166.06	3175717549.70
Trade Payables	9	731674159.26	809875651.75
Other current liabilities	10	896815958.55	898545848.14
Short-term provisions	7	<u>25467960.40</u>	<u>24032937.66</u>
		<b>5034148244.27</b>	<b>4908171987.25</b>
<b>TOTAL</b>		<b><u>10355609719.01</u></b>	<b><u>11289087383.70</u></b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
Property Plant and Equipment			
i) Tangible assets	11	4639762810.81	5441944617.25
ii) Intangible assets		1062731.91	595708.00
iii) Capital Work-in-Progress		37175959.62	57044812.00
Non-current investments	12	350600.00	395820.00
Long term loans and advances	13	91997432.49	89558870.41
Other Non Current Assets	13	<u>50845224.00</u>	<u>56141379.00</u>
		<b>4821194758.83</b>	<b>5645681206.66</b>
<b>2 Current assets</b>			
Current investments	14	5015354.72	2041479.49
Inventories	15	3336882314.00	3148381243.00
Trade receivables	16	1485015950.11	1544742354.67
Cash and Cash Equivalents	17	31578091.10	38252766.99
Short Term Loans and advances	13	355077143.85	562642597.89
Other Current Assets	13	<u>320846106.40</u>	<u>347345735.00</u>
		<b>5534414960.18</b>	<b>5643406177.04</b>
<b>TOTAL</b>		<b><u>10355609719.01</u></b>	<b><u>11289087383.70</u></b>

The accompanying notes are forming part of 1 to 45  
the financial statements.

Subject to our separate Report of even date

For and on behalf of the Board of Directors

**FOR DASS KHANNA & CO**  
Chartered Accountants

Rajiv Garg  
Mg. Director

Ujjwal Garg  
Wholetime Director

Rakesh Soni  
Partner

Place : Ludhiana  
Dated : 30-05-2017

Ramandeep Singh  
Chief Financial Officer

Ridhima Sood  
Company Secretary



**GARG ACRYLICS LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	Notes	Year Ended	
		March 31, 2017 (Rs. P)	March 31, 2016 (Rs. P)
<b>I Revenue from operations (Gross)</b>		<b>12136571773.00</b>	12580501153.00
Less: Excise Duty		<b>14823371.00</b>	2943974.00
Revenue from operations (Net)	18	<b>12121748402.00</b>	12577557179.00
<b>II Other income</b>	19	<b>125263703.23</b>	34515949.15
<b>III Total Revenue (I+II)</b>		<b>12247012105.23</b>	12612073128.15
<b>IV Expenses</b>			
Cost of Raw Materials Consumed	20	<b>7346239921.59</b>	6780983046.36
Purchases of Stock-in-Trade	21	<b>723710701.00</b>	1847923492.00
Changes in inventories of finished goods, Work in progress and Stock-in-Trade	22	<b>-164326727.00</b>	-106452539.00
Employees Benefits Expenses	23	<b>561373082.00</b>	490283117.00
Finance Costs	24	<b>607127587.14</b>	638612105.93
Depreciation	25	<b>768351376.27</b>	742726155.81
Other Expenses	26	<b>2197490946.33</b>	2077786164.35
<b>Total Expenses</b>		<b>12039966887.33</b>	12471861542.45
<b>V Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>207045217.90</b>	140211585.70
<b>VI Exceptional &amp; extra ordinary Items</b>		<b>0.00</b>	0.00
<b>VII Profit before tax (V+VI)</b>		<b>207045217.90</b>	140211585.70
<b>VIII Tax Expense</b>	27		
Current Tax		<b>62971103.34</b>	27876895.30
Mat Credit Entitlement		<b>0.00</b>	16576673.00
Deferred Tax Asset		<b>3815702.00</b>	12980529.00
<b>IX Profit (Loss) for the year from continuing operations (VII - VIII)</b>		<b>147889816.56</b>	141891892.40
<b>X Profit (Loss) from discontinuing operations</b>		<b>0.00</b>	0.00
<b>XI Profit (Loss) for the year (IX + X)</b>		<b>147889816.56</b>	141891892.40
<b>XII Earnings per equity share</b>	28		
Basic		<b>178.11</b>	170.88
Diluted		<b>178.11</b>	170.88
The accompanying notes are forming part of the financial statements.	1 to 45		

Subject to our separate Report of even date

For and on behalf of the Board of Directors

**FOR DASS KHANNA & CO**  
Chartered Accountants

Rajiv Garg  
Mg. Director

Ujjwal Garg  
Wholetime Director

Rakesh Soni  
Partner

Ramandeep Singh  
Chief Financial Officer

Ridhima Sood  
Company Secretary

Place : Ludhiana  
Dated : 30-05-2017

**GARG ACRYLICS LIMITED**

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

	Year Ended March 31, 2017 (Rs. P)	Year Ended March 31, 2016 (Rs. P)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit(Loss) before tax and extra ordinary items	<b>207045217.90</b>	140211585.70
<b>Adjustment for :</b>		
- Depreciation	<b>768351376.27</b>	742726155.81
- Interest Charged	<b>580952726.21</b>	610348576.89
- Interest Received	<b>(28533352.60)</b>	(30155041.58)
- Loss (Profit) on sale of Fixed Assets	<b>103369.61</b>	100122.50
- Tax paid	<b>(59155401.34)</b>	1680306.70
<b>Operating Profit before working capital changes</b>	<b>1468763936.05</b>	1464911706.02
<b>Adjustment for :</b>		
- Trade and Other Receivables	<b>296649080.12</b>	(315413453.41)
- Inventories	<b>(188501071.00)</b>	(261982922.00)
- Trade and Other Payables	<b>(82126490.34)</b>	282332426.75
<b>Net cash from operating activities (A)</b>	<b>1494785454.83</b>	1169847757.36
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets	<b>(274686732.96)</b>	(959739639.75)
Addition to Investments	<b>(2928655.23)</b>	(835736.17)
Sale of Fixed Assets	<b>13952364.00</b>	2124930.00
Interest Received	<b>28533352.60</b>	30155041.58
<b>Net cash used in investing activities (B)</b>	<b>(235129671.59)</b>	(928295404.34)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	<b>0.00</b>	0.00
Proceeds from Long term borrowings (Net)	<b>-889850349.28</b>	263510368.85
Proceeds from Short term borrowings (Net)	<b>204472616.36</b>	4603210.62
Interest paid	<b>(580952726.21)</b>	(610348576.89)
<b>Net cash from financing activities (C)</b>	<b>(1266330459.13)</b>	(342234997.42)
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(6674675.89)</b>	(100682644.40)
Opening Cash and Cash equivalents	<b>38252766.99</b>	138935411.39
Closing Cash and Cash equivalents	<b>31578091.10</b>	38252766.99

The accompanying notes are forming part of the financial statements.

1 to 45

Subject to our separate Report of even date

For and on behalf of the Board of Directors

**FOR DASS KHANNA & CO**  
Chartered Accountants

Rajiv Garg  
Mg. Director

Ujjwal Garg  
Wholetime Director

Rakesh Soni  
Partner

Place : Ludhiana  
Dated : 30-05-2017

Ramandeep Singh  
Chief Financial Officer

Ridhima Sood  
Company Secretary

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 1 Company Overview

Garg Acrylics Limited is a Public Limited Company incorporated in India. The Company is engaged in the manufacturing of Synthetic & Cotton Yarn and readymade garments.

#### 2 Summary of Significant accounting policies

##### a) Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013.

##### b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities as on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

##### c) Inventories

The Inventories are valued at cost or net realizable value whichever is lower. The cost formulas used in valuation of different categories are as under:-

i)	For Raw Materials and Stores & Spares	Weighted Average Cost
ii)	For Work in Process & Finished Goods	Weighted Average Material Cost Plus Conversion Cost
iii)	For Waste	Net realizable value
iv)	For Goods in transit	At Cost plus expenses incurred up to their present condition and location.

##### d) Property, Plant and Equipment

- (i) Property, Plant and Equipment are stated at cost, net of cenvat & vat including attributable cost for bringing the assets to its working condition for its intended use less accumulated depreciation.
- (ii) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/ depletion and impairment loss.
- (iii) Depreciation on Property, Plant and Equipment has been provided based on useful life of the assets as prescribed in Schedule-II of the Companies Act, 2013. Further, significant components of assets identified pursuant to the requirements under Schedule II of the Companies Act, 2013 are depreciated over their useful life based on the technical evaluation done by the management. The depreciation is provided in the following manner:-

In respect of Synthetic Spinning Section	On written down value method basis
In respect of Cotton Spinning Section	On Straight line method basis
In respect of Garment Section	On Straight line method basis
In respect of Intangible Assets	On Straight line method basis over a period of 10 years

##### e) Investments

Long term Investments are carried at cost less provision for diminution, other than temporary, in the value of investment. Current investments are carried at lower of cost and fair value.

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### f) Revenue Recognition

##### i) Sales:

Revenue from sale of goods is recognized:

- a) When all the significant risks and rewards of ownership are transferred to the buyer and the company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- b) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

##### ii) Export Incentives:

Revenue in respect of the export incentives is recognized on post export basis.

##### iii) Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

##### iv) Dividend:

Dividend income is recognized when the right to receive the payment is established.

##### v) Insurance and Other Claims:

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

#### g) Excise Duty

Excise duty in respect of goods manufactured by the company is accounted for at the time of removal of goods from factory for sale and/or captive consumption and provisions are made for finished goods lying in the factory at the year-end.

#### h) Employees Retirement Benefits

##### a) Short Term Employee Benefits:

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the profit and loss account of the year in which the related service is rendered.

##### b) Post Employment Benefits:

###### i) Defined Contribution Plans:

Provident Fund

Contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and is charged to the profit and loss account.

###### ii) Defined Benefit Plans

Gratuity

Provision for gratuity liability to employees is made on the basis of actuarial valuation as at the close of the year.

##### c) The actuarial gain/loss is recognized in statement of profit and loss account.

#### i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

#### j) Foreign Currency Transactions

i) Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of transaction.

ii) Monetary foreign currency items outstanding at the year-end are restated into rupees at the rate of exchange prevailing on the balance sheet date except those covered by forward contracts.

iii) Non monetary foreign currency items are carried at cost.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in respect of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

#### k) Accounting for Taxes on Income

##### i) Current Tax

Current Tax is the amount of income tax determined to be payable in respect of taxable income for a period after considering tax allowances and exemptions.

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

- ii) **Deferred Tax**  
Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.
- iii) **Minimum Alternative Tax**  
Minimum Alternative Tax credit is recognized as an asset only when & to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date & the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

#### **l) Impairment of Assets**

The carrying amount of the assets is reviewed at each balance sheet date. If there is any indication of impairment based on internal and external factors, an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### **m) Provision, Contingent Liabilities and Contingent Assets**

- i) Provision involving substantial degree of estimate in measurement is recognized when there is a present obligation arising as a result of past events and it is probable that there will be an outflow of resource embodying economics benefits.
- ii) Contingent liability is a possible obligation from past event, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or a present obligation that arises from past events but is not recognized because it is not probable that an outflow embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of obligation cannot be made. Such a liability is not recognized but is disclosed in the notes.

#### **n) Earning Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributed to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### **3 SHARE CAPITAL**

Particulars	As at 31st MARCH 2017		As at 31st MARCH 2016	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<b>Authorised Shares</b>				
Equity shares of Re.10/- each	900000	9000000.00	900000	9000000.00
6% Non-Cumulative Redeemable Preference Shares of 10/- each	24300000	243000000.00	24300000	243000000.00
Total	<b>25200000</b>	<b>252000000.00</b>	25200000	252000000.00
<b>Issued, Subscribed and paid up shares</b>				
Equity shares of Re.10/- each fully paid up	830350	8303500.00	830350	8303500.00
6% Non-Cumulative Redeemable Preference Shares of 10/- each fully paid up	20000000	200000000.00	20000000	200000000.00
Total	<b>20830350</b>	<b>208303500.00</b>	20830350	208303500.00

#### **i) Reconciliation of number of shares and amount outstanding**

Particulars	2016-17		2015-16	
	Number	Amount (Rs.)	Number	Amount (Rs.)
a) <b>EQUITY SHARES</b>				
At the beginning of the year	830350	8303500.00	830350	8303500.00
Add: Shares Issued during the year	0	0.00	0	0.00
Outstanding at the end of the year	<b>830350</b>	<b>8303500.00</b>	830350	8303500.00
b) <b>PREFERENCE SHARES</b>				
At the beginning of the year	20000000	200000000.00	20000000	200000000.00
Add: Shares Issued/Redeemed during the year	0	0.00	0	0.00
Outstanding at the end of the year	<b>20000000</b>	<b>200000000.00</b>	20000000	200000000.00



## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 4 RESERVES AND SURPLUS

Particulars	As at	As at
	31st MARCH 2017 (Rs.)	31st MARCH 2016 (Rs.)
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	821781500.00	821781500.00
Addition/deduction during the year	0.00	0.00
Balance at the end of the year	821781500.00	821781500.00
<b>Revaluation Reserve</b>		
Balance at the beginning of the year	313863258.00	313863258.00
Reversed during the year	313863258.00	0.00
Balance at the end of the year	0.00	313863258.00
<b>General Reserve</b>		
Balance at the beginning of the year	547512144.00	487512144.00
Add: Amount transferred from surplus account	6000000.00	6000000.00
Balance at the end of the year	607512144.00	547512144.00
<b>Surplus in the Statement of Profit and Loss.</b>		
Balance at the beginning of the year	839648895.85	757757003.44
Add: Profit for the year	147889816.56	141891892.40
Less: Transfer to General Reserve	6000000.00	6000000.00
Balance at the end of the year	927538712.41	839648895.84
Total	2356832356.41	2522805797.84

#### 5 LONG TERM BORROWINGS

Particulars	Non-Current Portion		Current Maturities	
	As at 31st March 17 (Rs)	As at 31st March 16 (Rs)	As at 31st March 17 (Rs)	As at 31st March 16 (Rs)
<b>SECURED</b>				
Term Loans from Banks	2569144366.94	3205466380.44	646447700.00	615112719.00
<b>UNSECURED</b>				
Vehicles Loans from Banks	1796156.39	4611571.17	3183494.74	4091532.50
Vehicles Loans from Companies	1165927.00	728848.00	1069747.00	434676.00
Other Loans from Companies	15115000.00	266265000.00	0.00	0.00
	2587221450.33	3477071799.61	650700941.74	619638927.50
Amount disclosed under the head				
Other Current Liabilities				
See Note No. 10	Nil	Nil	650700941.74	619638927.50
Total	2587221450.33	3477071799.61	0.00	0.00

- a Term loans from Banks are secured by first parri passu charge on the entire fixed assets of the company alongwith equitable mortgage created on all the immovable assets of the company and further secured by Second Parri-passu charge on the entire current assets of the company and personal guarantee of the promoter directors.
- b Term Loans from Banks carry an interest rate of 9.75% p.a. and are repayable in quarterly installments.

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

c The year wise repayment of term loans due are as under :-

Year Ended	Amount of Repayment
31/03/2019	651653000.00
31/03/2020	606200000.00
31/03/2021	538598750.00
31/03/2022	430076150.69
31/03/2023	137100000.00
31/03/2024	110000000.00
31/03/2025	95516466.25
	<u>2569144366.94</u>

d Vehicle Loans from Banks & companies are repayable in monthly installments. The rate of interest and year wise repayment due are as under :-

	Loan No. 39457541	Loan No. 25559224	Loan No. 34294104	Loan No. 34147510	Loan No. 27115901
Name of the Financer	HDFC Bank Ltd	HDFC Bank Ltd	HDFC Bank Ltd	HDFC Bank Ltd	Axis Bank Ltd
Amount Outstanding	96491.49	70714.78	126029.65	93496.47	1409424.00
Rate of Interest	9.66%	10.52%	10.50%	10.75%	9.60%
Mode of Repayment	Monthly Instalment	Monthly Instalment	Monthly Instalment	Monthly Instalment	Monthly Instalment
	Loan No. CF- 13205197	Loan No. CF- 12416126			
Name of the Financer	Kotak Mahindra Prime Ltd	Kotak Mahindra Prime Ltd			
Amount Outstanding	902365.00	263562.00			
Rate of Interest	9.27%	9.75%			
Mode of Repayment	Monthly Instalment	Monthly Instalment			

#### Yearwise Repayment Due

Year Ended	To Banks Amount of Repayment	To Companies Amount of Repayment
31/03/2019	1796156.39	929167.00
31/03/2020	0.00	236760.00
	<u>1796156.39</u>	<u>1165927.00</u>

e Terms and conditions of other loans are as under

#### Yearwise Repayment Due

<u>Year Ended</u>	<u>Amount(Rs)</u>
31/03/2022	15115000.00
	<u>15115000.00</u>



## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 6 DEFERRED TAX LIABILITY (Net)

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
<b>Deferred Tax Liability</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	(158488465.00)	(162221639.00)
Sub-total	<u>(158488465.00)</u>	<u>(162221639.00)</u>
<b>Deferred Tax Asset</b>		
Impact of Expenditure charged to Statement of Profit and Loss in the current year but allowed for tax purpose on payment basis		
Gratuity	10083135.00	10098945.00
Punjab Labour Welfare Fund	412256.00	313918.00
Sub-total	<u>10495391.00</u>	<u>10412863.00</u>
Deferred Tax (Liability)/Assets (Net)	<u><u>(147993074.00)</u></u>	<u><u>(151808776.00)</u></u>

#### 7 PROVISIONS

Particulars	Long Term		Short Term	
	As at 31st March 17 (Rs)	As at 31st March 16 (Rs)	As at 31st March 17 (Rs)	As at 31st March 16 (Rs)
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	21111094.00	20925523.00	8024179.00	8255433.00
<b>Other Provisions</b>				
Provision for Taxation	0.00	0.00	17443781.40	15777504.66
Total	<u>21111094.00</u>	<u>20925523.00</u>	<u>25467960.40</u>	<u>24032937.66</u>

#### 8 SHORT TERM BORROWINGS

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
<b>Loans Repayable on demand</b>		
Secured		
Working Capital Borrowings from Banks	3380190166.06	3175717549.70
Total	<u>3380190166.06</u>	<u>3175717549.70</u>

The Working Capital Loans are secured by pledge of warehouse receipts of cotton bales, hypothecation of Stock in trade (except pledged stock), Book Debts and other current assets of the company and further secured by second Parri-passu charge on the entire fixed assets of the company and personal guarantee of Promoter directors.

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 9 TRADE PAYABLES

<b>Particulars</b>	<b>As at 31st MARCH 2017 (Rs.)</b>	<b>As at 31st MARCH 2016 (Rs.)</b>
Trade Payables (Refer Note 37 for details of dues to micro and small enterprises)	<b>731674159.26</b>	809875651.75

#### 10 OTHER CURRENT LIABILITIES

<b>Particulars</b>	<b>As at 31st MARCH 2017 (Rs.)</b>	<b>As at 31st MARCH 2016 (Rs.)</b>
Current maturities of long term borrowings	<b>650700941.74</b>	619638927.50
Interest accrued but not due on borrowings	<b>18095405.00</b>	26771051.00
Advances received from customers	<b>72173924.81</b>	141658592.24
Other payables		
TDS/TCS payable	<b>2601916.00</b>	2867743.00
Service Tax Payable	<b>185670.00</b>	94982.00
Excise Duty Payable	<b>259753.00</b>	231685.00
VAT/CST Payable	<b>0.00</b>	15531541.73
Expenses Payable	<b>152798348.00</b>	91751325.67
Total	<b>896815958.55</b>	898545848.14

**11 PROPERTY PLANT AND EQUIPMENT**

S. NO	NAME OF THE ASSETS	GROSS BLOCK						DEPRECIATION						NET BLOCK							
		AS AT 01.04.2016		ADDITIONS DURING THE YEAR		SALES/ADJ DURING THE YEAR		TOTAL AS AT 31.03.2017		AS AT 01.04.2016		PROVIDED DURING THE YEAR		ADJUSTMENT DURING THE YEAR		TOTAL AS AT 31.03.2017		AS AT 31.03.2017		AS AT 31.03.2016	
		Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
<b>A) TANGIBLE ASSETS</b>																					
1.	Free hold Land	537046533.50		457600.00		313863258.00 *		<b>223640875.50</b>		0.00		0.00		0.00		<b>0.00</b>		<b>223640875.50</b>		537046533.50	
2.	Building	1691014988.67		29012670.00		0.00		<b>1720027658.67</b>		294093862.08		50964129.98		0.00		<b>345057992.06</b>		<b>1374969666.61</b>		1396921126.59	
3.	Plant & Machinery	6929672236.45		258710490.00		13892864.00		<b>7174489862.45</b>		3464302065.08		708859530.58		0.00		<b>4173161595.66</b>		<b>3001328266.79</b>		3465370171.37	
4.	Vehicles	55733702.80		2930255.00		534416.00		<b>58129541.80</b>		28444252.04		4841724.13		371546.40		<b>32914429.77</b>		<b>25215112.03</b>		27289450.76	
5.	Office Equipments	19426138.12		1484487.34		0.00		<b>20910625.46</b>		14618983.51		2055818.71		0.00		<b>16674802.22</b>		<b>4235823.24</b>		4807154.61	
6.	Furnitures & Fixtures	16677724.88		1423443.00		0.00		<b>18101167.88</b>		6167544.46		1560556.78		0.00		<b>7728101.24</b>		<b>10373066.64</b>		10510180.42	
<b>TOTAL</b>		<b>9249571324.42</b>		<b>294018945.34</b>		<b>328290538.00</b>		<b>9215299731.76</b>		<b>3807626707.17</b>		<b>768281760.18</b>		<b>371546.40</b>		<b>4575536920.95</b>		<b>4639762810.81</b>		<b>5441944617.25</b>	
<b>PREVIOUS YEAR</b>		<b>8220929410.50</b>		<b>1043378605.15</b>		<b>14736691.23</b>		<b>9249571324.42</b>		<b>3077466542.09</b>		<b>742671803.81</b>		<b>12511638.73</b>		<b>3807626707.17</b>		<b>5441944617.25</b>			
<b>B) INTANGIBLE ASSETS</b>																					
	Computer Softwares	650060.00		536640.00		0.00		<b>1186700.00</b>		54352.00		69616.09		0.00		<b>123968.09</b>		<b>1062731.91</b>		595708.00	
<b>PREVIOUS YEAR</b>		<b>0.00</b>		<b>650060.00</b>		<b>0.00</b>		<b>650060.00</b>		<b>0.00</b>		<b>54352.00</b>		<b>0.00</b>		<b>54352.00</b>		<b>595708.00</b>			
<b>C) CAPITAL WORK IN PROGRESS</b> (Refer Note No. 30)																		<b>37175959.62</b>		57044812.00	

\*In accordance with the Accounting Standard (AS)-10 "Property Plant & Machinery", the company has chosen the cost model. Consequently, the value of land at Kanganwal Road, Ludhiana and Sahnewal Dehlon Road, Ludhiana which were earlier shown at revalued figures are now carried at cost. The revaluation reserve of Rs. 31,38,63,258.00 created earlier have now been reversed.

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 12 NON CURRENT INVESTMENTS

Particulars	As at	As at
	31st MARCH 2017 (Rs.)	31st MARCH 2016 (Rs.)
Other Investments (Valued at cost)		
Investment In Equity Instruments (Unquoted)		
15,000 Equity Shares of Rs. 10/- each fully paid up of Garg Fincap Limited	150000.00	150000.00
9,32,000 Class A Equity Shares of Rs. 0.10 each fully paid up of OPGS Power Gujarat Private Limited	177080.00	222300.00
Investment in Equity Instruments (Quoted)		
196 Equity Shares of Rs. 10/- each fully paid up of Punjab & Sind Bank	23520.00	23520.00
Total	<b>350600.00</b>	<b>395820.00</b>
Aggregate value of unquoted investments	327080.00	327080.00
Aggregate value of quoted investments	23520.00	23520.00
Market value of quoted investments	10780.00	6801.20

#### 13 LOANS AND ADVANCES AND OTHER CURRENT ASSETS

Particulars	Non-Current		Current	
	As at 31st March 17 (Rs)	As at 31st March 16 (Rs)	As at 31st March 17 (Rs)	As at 31st March 16 (Rs)
<b>LOANS AND ADVANCES</b> (Unsecured, considered good)				
Capital Advances	1000000.00	803438.92	0.00	0.00
Security Deposit	90997432.49	88755431.49	0.00	0.00
Advance to Employees	0.00	0.00	10186251.00	6653206.00
Advance to Suppliers	0.00	0.00	149328866.23	322665659.71
Prepaid expenses	0.00	0.00	6327971.00	3053596.00
VAT Receivable	0.00	0.00	2309826.44	0.00
Balance with Excise & Custom Authorities	0.00	0.00	105048412.18	130506841.18
Mat Credit Recoverable	0.00	0.00	81793380.00	99667858.00
Others (State Electricity Board)	0.00	0.00	82437.00	95437.00
Total	<b>91997432.49</b>	<b>89558870.41</b>	<b>355077143.85</b>	<b>562642597.89</b>
<b>OTHER ASSETS</b>				
Balance with banks in deposit account (having more than 12months maturity)	50845224.00	56141379.00	0.00	0.00
Duty Drawback/Depb	0.00	0.00	61874735.00	53448611.00
Interest accrued on deposits	0.00	0.00	23941548.40	26205566.00
Subsidy - TUFS	0.00	0.00	90495361.00	123157096.00
Insurance claim receivable	0.00	0.00	144534462.00	144534462.00
Total	<b>50845224.00</b>	<b>56141379.00</b>	<b>320846106.40</b>	<b>347345735.00</b>

Bank deposits includes margin money deposits amounting to Rs.3,50,17,178.00 (Rs. 2,69,00,000.00 on 31st March 2016) held to secure the Company's Non Fund based limits availed from Banks.

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 14 CURRENT INVESTMENTS

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Trade Investments (At Cost)		
In Capital of Partnership Firm		
Garg International	5015354.72	2041479.49

The company is one of the partners in the partnership firm M/s Garg International.  
The names of all the partners and their profit sharing ratio are as under:-

Name of the Partner	Profit sharing Ratio
Garg Acrylics Ltd	95%
Sh. Navneet Sharma	5%

The total capital of the said firm is Rs. 52,76,088.51 as on 31.03.2017.  
(Rs. 21,45,694.01 as on 31-03-2016)

#### 15 INVENTORIES (Valued at lower of cost or net realizable value)

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Raw- Materials	2181720767.00	2159577320.00
Work in Progress	213637718.00	278662234.00
Finished goods	868106298.00	642529528.00
Stock-in-Trade (in respect of goods acquired for trading)	14000956.00	10226483.00
Stores, Spares & Packing Material	59416575.00	57385678.00
Total	3336882314.00	3148381243.00

#### BROAD CATEGORY OF INVENTORIES

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Work-in-process		
Synthetic Yarn in process	4228076.00	8950616.00
Blended Yarn in process	46782479.00	65791678.00
Cotton Yarn in process	115786673.00	169465289.00
Garments Mfg in process	46840490.00	34454651.00
Total	213637718.00	278662234.00
Finished goods		
Synthetic Yarn	121212467.00	83795630.00
Blended Yarn	470140029.00	200003639.00
Cotton Yarn	241102299.00	280221368.00
Garments	27008247.00	66258236.00
Others (Waste)	8643256.00	12250655.00
Total	868106298.00	642529528.00

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 16 TRADE RECEIVABLES

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
<b>Unsecured, considered good</b>		
Trade Receivables Outstanding for a period Exceeding six months from the date they are due for payment	36853692.00	47920693.00
Trade Receivables Outstanding for a period less than six months from the date they are due for payment	1448162258.11	1496821661.67
	<b>1485015950.11</b>	<b>1544742354.67</b>

#### 17 CASH AND CASH EQUIVALENTS

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Cash in Hand	2224148.59	19313699.59
Balance with banks -in current accounts	566784.51	1277441.40
-in Deposit accounts	28787158.00	17661626.00
	<b>31578091.10</b>	<b>38252766.99</b>

#### 18 REVENUE FROM OPERATIONS

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Sale of Products	11951870090.00	12399807185.00
Other Operating Revenues	184701683.00	180693968.00
Revenue from Operations (Gross)	12136571773.00	12580501153.00
Less: Excise duty on products sold	14823371.00	2943974.00
Revenue from operation(Net)	<b>12121748402.00</b>	<b>12577557179.00</b>

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### Details of products sold

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Synthetic Yarn	575260924.00	475058374.00
Cotton Yarn	5794251686.00	5601101580.00
Blended Yarn	3244873749.00	2857416393.00
Garments	642912053.00	680965980.00
Synthetic Fibre	294764474.00	442124868.00
Cotton Fibre	30839113.00	1081090513.00
Synthetic Fabrics	508200360.00	550333257.00
Job Charges	11887645.00	14770365.00
Others (Waste)	848880086.00	696945855.00
Total	11951870090.00	12399807185.00

#### Details of Other Operating Revenue

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Exports benefits	184701683.00	180693968.00

#### 19 OTHER INCOME

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Interest Income on banks deposits	7880723.00	10917750.58
Interest on delayed payments	20652629.60	19237291.00
Exchange Rate Fluctuation (Net)	93601845.00	2564153.80
Share of Profit from Partnership Firm	2973875.23	613436.17
Miscellaneous Income	154630.40	1183317.60
Total	125263703.23	34515949.15

#### 20 COST OF RAW MATERIALS CONSUMED

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Inventory at the beginning of the year	2159577320.00	2020497109.00
Add: Purchases during the year	7368383368.59	6920063257.36
Less: Inventory at the end of the year	2181720767.00	2159577320.00
Cost of raw material consumed.	7346239921.59	6780983046.36
Broad Category for Raw Material Consumed		
Synthetic Fibre	1691242528.56	1543376223.20
Cotton Fibre	5347851634.43	5020683097.86
Fabric, Yarn for Garments	148913502.00	75843758.00
Others (Semi Finished yarns)	158232256.60	141079967.30
Total	7346239921.59	6780983046.36

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 21 PURCHASES OF STOCK-IN-TRADE

##### Broad Category for Purchases of Stock-in-trade

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Synthetic/Cotton Fibre	380960799.00	1420896201.00
Synthetic/Cotton Yarn	12718100.00	0.00
Synthetic Fabric	244749943.00	427027291.00
Garments	5013680.00	0.00
Chemicals	80268179.00	0.00
Total	<b>723710701.00</b>	1847923492.00

#### 22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Inventories at the beginning of the year		
Work in Progress	278662234.00	174281329.00
Finished goods	642529528.00	645122646.00
Stock-in-trade of traded goods	10226483.00	5561731.00
	<b>931418245.00</b>	824965706.00
Inventories at the end of the year		
Work in Progress	213637718.00	278662234.00
Finished goods	868106298.00	642529528.00
Stock-in-trade of traded goods	14000956.00	10226483.00
	<b>1095744972.00</b>	931418245.00
Change in inventories of finished goods, Work in progress and Stock-in-trade	<b>(164326727.00)</b>	(106452539.00)

#### 23 EMPLOYEES BENEFITS EXPENSE

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Salaries, Wages and other Allowances	496301453.00	433581495.00
Contribution to Provident & Other Funds	28317752.00	25179357.00
Staff Welfare Expenses	36753877.00	31522265.00
Total	<b>561373082.00</b>	490283117.00

#### 24 FINANCE COSTS

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Interest expenses	580952726.21	610348576.89
Other Borrowing Costs	26174860.93	28263529.04
Total	<b>607127587.14</b>	638612105.93



## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 25 DEPRECIATION

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Depreciation of Tangible Assets	<b>768351376.27</b>	742726155.81

#### 26 OTHER EXPENSES

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Power & Fuel	<b>1243097257.49</b>	1147087436.57
Stores and Spares	<b>389000595.13</b>	334967808.08
Job Charges	<b>92831440.09</b>	146467281.50
Excise Duty Provided on stocks (net)	<b>39317.00</b>	(398309.00)
Repairs to Machinery	<b>97538736.30</b>	90686028.69
Repairs to Building	<b>4801445.00</b>	2664295.40
Repair Others	<b>2716994.24</b>	1878407.00
Insurance	<b>9461439.00</b>	9537956.00
Vehicle Maintenance	<b>12222814.15</b>	10588522.00
Travelling Expenses	<b>23446645.16</b>	21482268.06
Postage Courier & Telephone	<b>2526547.72</b>	2557703.49
Auditors Remuneration	<b>505000.00</b>	500000.00
Cost Audit Fee	<b>50000.00</b>	29500.00
Legal & Professional Charges	<b>16987583.00</b>	9776172.00
Rates and Taxes	<b>4351358.22</b>	3295158.68
Printing & Stationery	<b>3331765.00</b>	2672929.00
Subscription & Periodicals	<b>996763.00</b>	707563.00
General Expenses	<b>3036215.63</b>	2808708.00
Corporate Social Responsibility Expenses	<b>248152.00</b>	0.00
Charity & Donation	<b>130800.00</b>	90400.00
Recruitment Expenses	<b>545565.00</b>	231190.00
Loss on Sale of Fixed assets	<b>103369.61</b>	100122.50
Export Expenses	<b>181456827.55</b>	181513113.87
Carriage Outward	<b>33526869.35</b>	34014505.00
Advertisement and Sales Promotion	<b>1429549.08</b>	1243226.88
Brokerage and Commission	<b>46139176.00</b>	51399231.00
Rebate & Discount	<b>26968721.61</b>	21884946.63
Total	<b>2197490946.33</b>	2077786164.35

#### 27 TAX EXPENSE

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Current Tax - for the year	<b>61500000.00</b>	29800000.00
- Prior Year	<b>1471103.34</b>	-1923104.70
	<b>62971103.34</b>	27876895.30
Deferred Tax Liability (Asset) for the year	<b>(3815702.00)</b>	(12980529.00)

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 28 EARNING PER SHARE

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Net profit as per Statement of Profit and Loss	147889816.56	141891892.40
Net profit available to Equity Share holders	147889816.56	141891892.40
No. of equity shares at year end	830350	830350
Weighted average number of Equity shares used as denominator for calculating EPS	830350	830350
Basic Earning per Share	178.11	170.88
Diluted Earning per Share	178.11	170.88
Face value per Equity Share	10.00	10.00

- 29 The tax paid u/s 115JB (MAT) of Income Tax Act, 1961 has been treated as an asset in accordance with the provision of the Guidance note for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961 issued by the Institute of Chartered Accountants of India. The MAT credit entitlement for the earlier years is on the basis of Income Tax Returns filed by the company with the Income Tax Department and the current year entitlement/setoff is on the basis of statement of assessable income prepared on provisional basis. The MAT credit entitlement for the current year is Rs Nil (Prev. Year Rs. 1,65,76,673.00).

#### 30 CAPITAL WORK-IN-PROGRESS INCLUDES

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Pre-operative expenditure as follows:-		
Balance at beginning of the year	740444.00	5762995.00
Add: Pre-operative incurred during the year		
Power & Fuel	0.00	5500000.00
Salaries and Wages	683700.00	6033321.00
Professional Charges	0.00	1103838.00
General Expenses- misc.& canteen	0.00	875558.00
Finance cost	994084.00	35840551.00
	<b>2418228.00</b>	<b>55116263.00</b>
Less: Capitalised during the year	#REF!	54375819.00
Balance at end of the year	<b>#REF!</b>	<b>740444.00</b>

- 31 Borrowing cost capitalized during the year Rs. 994094.00 (previous year Rs. 3,58,40,551.00).

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 32 GRATUITY

The following table summarises the components of expenses recognized in the Statement of Profit and Loss and the amounts recognized in the Balance Sheet

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
1 Expense Recognised in Statement of Profit and Loss		
Current Service Cost	<b>8232052.00</b>	7349445.00
Interest on Defined Benefit Obligation	<b>2197915.00</b>	1831584.00
Net Actuarial Losses/(Gains) recognised in the year	<b>(10336652.00)</b>	(2857688.00)
	<b>93315.00</b>	6323341.00
2 Amount Recognized in Balance Sheet		
Present Value of Unfunded Obligations	<b>29135273.00</b>	29180956.00
Net Liability	<b>29135273.00</b>	29180956.00
Net Liability is bifurcated as follows:		
Current	<b>8024179.00</b>	8255433.00
Non Current	<b>21111094.00</b>	20925523.00
	<b>29135273.00</b>	29180956.00
3 Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	<b>29180956.00</b>	22931997.00
Current Service Cost	<b>8232052.00</b>	7349445.00
Interest Cost	<b>2197915.00</b>	1831584.00
Actuarial Losses/ (Gain)	<b>(10336652.00)</b>	(2857688.00)
Benefits Paid	<b>(138998.00)</b>	(74382.00)
Closing Defined Benefit Obligation	<b>29135273.00</b>	29180956.00
Contributions by Employer	<b>138998.00</b>	74382.00
Benefits Paid	<b>(138998.00)</b>	(74382.00)
Expected Employer's Contribution Next Year	<b>8024179.00</b>	8255433.00
4 Actuarial Assumptions at the Valuation Date:		
Imputed rate of interest	<b>07.55% P.A.</b>	08.00% P.A.
Future Salary rise	<b>08.00% P.A.</b>	08.00% P.A.
Return on Plan assets	<b>N.A.</b>	N.A.
Retirement Age	<b>58 Years</b>	58 Years
Mortality Table	<b>I.A.L. 2006-08</b>	I.A.L. 2006-08
Attrition Rate	<b>30.00 % P.A.</b>	30.00 % P.A.
Remaining Working Life	<b>27.46 Years</b>	25.82 Years

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 33 SEGMENT REPORTING

The company is mainly engaged in the business of manufacturing of textiles consisting of yarn, fabrics and garments. Considering the nature of business and financial reporting of the Company, the Company has only one segment textile as reportable segment. The Company operates in Local & Export segments geographically. The sale for both is separately given, but due to the nature of business the assets/liabilities and expenses for these activities cannot be bifurcated separately.

The financial information about geographical segment is presented below:

	2016-17	2015-16
Segment Revenue		
-Within India	6415310971.00	7615773027.00
-Outside India	5721260802.00	4964728126.00
Total Revenue	12136571773.00	12580501153.00

#### 34 RELATED PARTY DISCLOSURE

Related parties with whom transactions have taken place during the year:

##### a Key Management Personnel:

Sanjiv Garg, Managing Director  
Rajiv Garg, Managing Director  
Ujjwal Garg, Wholetime Director

##### b Enterprise owned or significantly influenced by key management personnel or their relatives:

Garg International (Partnership firm in which company is having 95% share)  
Pushpa Yarns Private Limited (in which Sh Sanjiv Garg, Sh Rajiv Garg Managing Directors are directors)

##### c Related Person

Sambhav Garg

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Name of Related Party	Nature of Transaction	Transaction Value for the year (Rs.)	
		2016-17	2015-16
<b>a Enterprises owned or significantly influenced by key management personnel or their relatives:</b>			
Garg International	Purchase made	72072683.00	429245.00
	Investment made	2973875.23	613436.00
Pushpa Yarns Private Limited	Unsecured Loan recd.	1850000.00	0.00
<b>b Key Management Personnel:</b>			
Sanjiv Garg - Managing Director	Remuneration	1845000.00	1800000.00
Rajiv Garg - Managing Director	Remuneration	1845000.00	1800000.00
Ujjwal Garg - Wholetime Director	Remuneration	1537500.00	1500000.00
<b>c Related Person</b>			
Sambhav Garg	Remuneration	855000.00	875000.00

Name of Related Party		Outstanding amounts carried in the Balance Sheet (Rs.)	
		AS AT 31st March 17	AS AT 31st March 16
<b>a Enterprises owned or significantly influenced by key management personnel or their relatives:</b>			
Garg International	Debit(Credit)	26225410.00	(8294584.00)
Pushpa Yarns Private Limited	Debit(Credit)	(2969020.00)	(1211020.00)
<b>b Key Management Personnel:</b>			
Sanjiv Garg - Managing Director		Nil	Nil
Rajiv Garg - Managing Director		Nil	Nil
Ujjwal Garg - Wholetime Director		Nil	Nil
<b>c Related Person</b>			
Sambhav Garg		Nil	Nil

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 35 CONTINGENT LIABILITIES AND PROVISIONS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
<b>Contingent Liabilities</b>		
For Letter of Credits	812.80 lacs	271.48 lacs
For Bank Guarantee	4.50 lacs	5.00 lacs
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital account (net of advances)	0.00 lacs	0.00 lacs

36 Debit or credit balances on whatever account are subject to confirmation from parties.

#### 37 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Based on and to the extent of information received from the Suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 as identified by Management and relied upon by the Auditors, the relevant particulars as at 31 March 2017 are furnished below:

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Dues outstanding as at the end of the year for more than 45 days	0.00	0.00

#### 38 VALUE OF IMPORTS ON CIF BASIS

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Raw-materials	727640143.00	117436504.00
Trading Goods	184977492.00	91305403.00
Components and Spare parts	4791239.00	1985837.00
Capital Goods	30007238.00	207750406.00
	<b>947416112.00</b>	<b>418478150.00</b>

#### 39 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	% age of total Consumption as on 31.03.2017	Value on 31.03.2017 (Rs.)	% age of total Consumption as on 31.03.2016	Value on 31.03.2016 (Rs.)
Raw-materials				
Imported	#REF!	#REF!	1.66%	117969202.00
Indigenous	#REF!	#REF!	93.61%	6663013844.36
Total (A)	#REF!	#REF!	95.27%	6780983046.36
Component and Store & Spares				
Imported	#REF!	#REF!	0.03%	1985837.00
Indigenous	#REF!	#REF!	4.70%	334810758.08
Total (B)	#REF!	#REF!	4.73%	336796595.08
Grand Total ( A )+( B )	#REF!	#REF!	100.00%	7117779641.44

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 40 EARNINGS IN FOREIGN CURRENCY

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Export of goods calculated on FOB Basis	<b>5470941430.00</b>	4734663241.00

#### 41 EMPLOYEES REMUNERATION AND BENEFITS INCLUDES DIRECTORS' REMUNERATION OF RS. 52,27,500.00 COMPRISING:

Particulars	Sanjiv Garg Managing Director		Rajiv Garg Managing Director		Ujjwal Garg Wholetime Director	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
	Salaries	1845000.00	1800000.00	1845000.00	1800000.00	1537500.00
Contribution to Provident Fund	0.00	0.00	0.00	0.00	0.00	0.00
Other Allowances	0.00	0.00	0.00	0.00	0.00	0.00
Total	<b>1845000.00</b>	1800000.00	<b>1845000.00</b>	1800000.00	<b>1537500.00</b>	1500000.00

#### 42 AUDITORS REMUNERATION

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Statutory Audit fees	<b>383800.00</b>	380000.00
Tax Audit fees	<b>95950.00</b>	95000.00
PVAT Audit fees	<b>25250.00</b>	25000.00
Total	<b>505000.00</b>	500000.00

#### 43 EXCISE DUTY

Particulars	As at 31st MARCH 2017 (Rs.)	As at 31st MARCH 2016 (Rs.)
Excise duty shown as a reduction from turnover	<b>14823371.00</b>	2943974.00
Excise duty charged to Statement of Profit and Loss On account of difference between closing and opening stock	<b>39317.00</b>	(398309.00)

#### 44 DISCLOSURE ON SPECIFIED BANK NOTES

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs (I)	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	27000.00	488416.00	515416.00
Add: Permitted receipts	0.00	9103969.00	9103969.00
Less: Permitted payments	21000.00	7063450.00	7084450.00
Less: Amount deposited in Banks	6000.00	0.00	6000.00
Closing cash in hand as on December 30, 2016	0.00	2528935.00	2528935.00

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 08, 2016.

## NOTES

### forming part of Financial statements for the year ended March 31, 2017

#### 45 PREVIOUS YEAR FIGURES

Previous year figures have been reworked/regrouped/rearranged/reclassified wherever necessary to make them comparable with current year figures.

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Subject to our separate Report of even date

**FOR DASS KHANNA & CO**  
Chartered Accountants

For and on behalf of the Board of Directors

Rakesh Soni  
Partner

Rajiv Garg  
Mg. Director

Ujjwal Garg  
Wholetime Director

Place : Ludhiana  
Dated : 30-05-2017

Ramandeep Singh  
Chief Financial Officer

Ridhima Sood  
Company Secretary

**GARG ACRYLICS LIMITED.**  
**(CIN NO.: - L74999DL1983PLC017001)**  
**A-50/1, Wazirpur, Industrial Area, Delhi-52**  
**Website: www.gargltd.com Email: - gargacrylics@yahoo.com**

**ATTENDANCE SLIP**

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I, hereby record my presence at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company at Registered office A-50/1, Wazirpur, Industrial Area, Delhi on Thursday 28<sup>th</sup> Sept, 2017 at 11:00 A.M.

Full Name of the Shareholder/proxy  
(In Block letters)

Folio No.....  
Signature

Form- MGT-11

**PROXY FORM**

**(Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014 )**

**CIN :- L74999DL1983PLC017001**

**Name of Company:- GARG ACRYLICS LIMITED**  
**Registered office :- A-50/1, Wazirpur, Industrial Area, Delhi.**

<b>Name of the member (s)</b> <b>Registered address :</b> <b>E-mail Id :</b> <b>Folio No./Client Id :</b> <b>DP ID:</b>
---

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

(1) Name..... Address  
.....  
Email id.....  
Signature.....or falling him.

(2) Name..... Address  
.....  
Email id.....  
Signature.....or falling him.



As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Thursday 28<sup>th</sup> September, 2017 at 11.00 a.m Registered office A-50/1, Wazirpur, Industrial Area, Delhi-52 and at any adjournment thereof of such resolution as are indicated below:-

<b>RESOLUTIONS</b>	<b>Optional</b>	
	<b>For</b>	<b>Against</b>
<b>Ordinary Business</b>		
1. Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2017		
2. To appoint a director in place of Mr. Sanjiv Garg (DIN 00217156) who retires by rotation and being eligible offers himself for reappointment.		
3. Appointment of M/s. Malhotra Manik & Associates Chartered Accountants), as auditors and fixing their remuneration.		
<b>Special Business</b>		
4. To increase Authorised Capital of the Company.		
5. To take approval for Bonus Shares issue.		
6. To ratify remuneration of Cost Auditors For Financial Year 2017-18		

Signed this ..... Day of .....2017.

Signature of Shareholder .....

Signature of Proxy Holder (s) .....

Affix Rs. 1 Revenue Stamp
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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.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33<sup>rd</sup> Annual General Meeting.
3. It is optional to put 1 'x' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details of member (s) in above box before submission.

**BOOK POST  
(PRINTED MATTER)**

If undelivered please return to:  
**GARG ACRYLICS LIMITED**  
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