

# **MALHOTRA MANIK & ASSOCIATES**

CHARTERED ACCOUNTANTS

708/ 6-B, Street No.19-A  
Punjab Mata Nagar,  
Pakhawal Road,  
Ludhiana – 141002  
MOBILE No. 98550-37608  
E-Mail:mma123@gmail.com

## **Independent Auditor's Report**

To  
The Board of Directors,  
Garg Acrylics Limited

We have audited the consolidated annual financial results of Garg Acrylics Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as Group") for the year ended March 31, 2019 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("the Regulations") read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the circular"). Attention is drawn to the fact that figures for the last quarter ended 31<sup>st</sup> March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated annual financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These consolidated annual financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results which are the responsibility of the Parent's Management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rule, 2015 as per section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the standard on Auditing issued by institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal Financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.



In our opinion, and to the best of our information and according the explanations given to us and based on management certified financial statements of subsidiary, the Statement:

- (a) Includes the results of the following entity:

| Name of the Entity | Relationship                |
|--------------------|-----------------------------|
| Garg International | Subsidiary Partnership Firm |

- (b) is presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- (c) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total Comprehensive Income and other financial information of the Group for the year ended March 31, 2019.

For Malhotra Manik & Associates  
Chartered Accountants  
(Firm Registration No. 015848N)

*Manik Malhotra*

(CA Manik Malhotra)

Proprietor

(Membership No.094604)

Place : Ludhiana

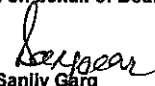
Date : 30<sup>th</sup> May, 2019

# GARG ACRYLICS LIMITED

Consolidated Audited Balance Sheet as at March 31, 2019

| Particulars                          | AS AT<br>Mar 31, 2019<br>(Audited)<br>(Rs. In lacs) | AS AT<br>Mar 31, 2018<br>(Audited)<br>(Rs. In lacs) |
|--------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| <b>ASSETS</b>                        |                                                     |                                                     |
| <b>1 Non-Current Assets</b>          |                                                     |                                                     |
| a) Property, Plant and Equipment     | 41,646.83                                           | 41,557.89                                           |
| b) Capital Work-in-Progress          | 162.11                                              | 1,176.05                                            |
| c) Other Intangible assets           | 8.38                                                | 9.50                                                |
| d) Financial Assets                  |                                                     |                                                     |
| -Investments                         | 3.89                                                | 3.86                                                |
| -Other Financial Assets              | 226.60                                              | 249.27                                              |
| e) Other Non Current Assets          | 1,277.31                                            | 1,194.28                                            |
|                                      | <b>43,325.14</b>                                    | <b>44,190.86</b>                                    |
| <b>2 Current Assets</b>              |                                                     |                                                     |
| a) Inventories                       | 33,329.96                                           | 33,871.46                                           |
| b) Financial Assets                  |                                                     |                                                     |
| -Trade receivables                   | 20,217.42                                           | 17,903.63                                           |
| -Cash and Cash Equivalents           | 122.77                                              | 145.16                                              |
| -Bank Balance other than above       | 373.13                                              | 583.27                                              |
| -Loans                               | 548.16                                              | 589.55                                              |
| -Other financial assets              | 2,099.14                                            | 2,581.31                                            |
| c) Other Current Assets              | 5,836.93                                            | 5,608.61                                            |
|                                      | <b>62,527.51</b>                                    | <b>61,283.01</b>                                    |
| <b>TOTAL</b>                         | <b>105,852.65</b>                                   | <b>105,473.87</b>                                   |
| <b>EQUITY AND LIABILITIES</b>        |                                                     |                                                     |
| <b>1 Shareholders' Funds</b>         |                                                     |                                                     |
| a) Equity Capital                    | 664.28                                              | 664.28                                              |
| b) Other Equity                      | 26,435.20                                           | 24,817.47                                           |
| c) Non-controlling interests         | 4.29                                                | 2.82                                                |
|                                      | <b>27,103.78</b>                                    | <b>25,484.57</b>                                    |
| <b>2 Non-Current Liabilities</b>     |                                                     |                                                     |
| (a) Financial Liabilities            |                                                     |                                                     |
| -Borrowings                          | 20,715.14                                           | 24,192.22                                           |
| (b) Provisions                       | 286.74                                              | 254.80                                              |
| (c) Deferred Tax Liabilities (Net)   | 1,739.49                                            | 1,864.11                                            |
| (d) Other Non Current Liabilities    | 29.85                                               | 42.71                                               |
| <b>Total-Non-Current Liabilities</b> | <b>22,771.21</b>                                    | <b>26,353.84</b>                                    |
| <b>3 Current Liabilities</b>         |                                                     |                                                     |
| (a) Financial Liabilities            |                                                     |                                                     |
| -Borrowings                          | 35,998.13                                           | 35,607.26                                           |
| -Trade Payables                      | 10,371.10                                           | 9,188.03                                            |
| -Other Financial Liabilities         | 8,476.60                                            | 8,122.73                                            |
| (b) Provisions                       | 666.20                                              | 417.97                                              |
| (c) Other Current Liabilities        | 465.63                                              | 299.48                                              |
| <b>Total-Current Liabilities</b>     | <b>55,977.66</b>                                    | <b>53,635.46</b>                                    |
| <b>TOTAL</b>                         | <b>105,852.65</b>                                   | <b>105,473.87</b>                                   |

For and on behalf of Board of Directors

  
 Sanjiv Garg  
 Managing Director  
 DIN:00444558

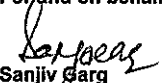
Place: Ludhiana  
Date: 30-05-2019

## Statement of Audited consolidated financial results for the quarter and year ended 31 March, 2019

| Sr. No. | Particulars<br>(Refer Notes below)                                                            | (Rs. in Lacs)                   |                                    |                                 |                              |                              |
|---------|-----------------------------------------------------------------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------|------------------------------|
|         |                                                                                               | Quarter ended<br>March 31, 2019 | Quarter ended<br>December 31, 2018 | Quarter ended<br>March 31, 2018 | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|         |                                                                                               | Audited                         | Unaudited                          | Audited                         | Audited                      | Audited                      |
| 1       | Revenue from Operations                                                                       | 48971.95                        | 53344.30                           | 35652.80                        | 184594.48                    | 135100.93                    |
| 2       | Other Income                                                                                  | 218.38                          | 8.27                               | 20.24                           | 389.44                       | 70.66                        |
| 3       | Total Income (1+2)                                                                            | 49190.34                        | 53352.58                           | 35673.04                        | 184983.92                    | 135171.59                    |
| 4       | Expenses                                                                                      |                                 |                                    |                                 |                              |                              |
| a)      | Cost of materials consumed                                                                    | 22761.98                        | 21158.35                           | 22522.66                        | 90032.78                     | 78411.46                     |
| b)      | Purchases of stock-in-trade                                                                   | 17578.01                        | 19383.28                           | 3839.17                         | 49806.41                     | 11661.75                     |
| c)      | Changes in inventories of finished goods, work-in-progress and stock-in-trade                 | -2794.55                        | 1054.61                            | -178.07                         | -1420.31                     | 2324.95                      |
| d)      | Employee benefits expense                                                                     | 2057.45                         | 1790.84                            | 1922.42                         | 7239.54                      | 6354.84                      |
| e)      | Finance Cost                                                                                  | 1318.71                         | 1516.31                            | 1742.66                         | 5986.76                      | 5453.74                      |
| f)      | Depreciation and amortisation expense                                                         | 1990.43                         | 1800.64                            | 1862.61                         | 7342.09                      | 7150.09                      |
| g)      | Power & Fuel                                                                                  | 2797.19                         | 2905.32                            | 1898.49                         | 11884.36                     | 11507.91                     |
| i)      | Other expenses                                                                                | 3612.78                         | 2593.31                            | 2169.12                         | 11798.73                     | 10352.88                     |
|         | Total expenses                                                                                | 49322.00                        | 52302.65                           | 35779.06                        | 182670.35                    | 133217.62                    |
| 5       | Profit before exceptional items and tax (3-4)                                                 | -131.66                         | 1049.92                            | -106.02                         | 2313.57                      | 1953.97                      |
| 6       | Exceptional items                                                                             |                                 |                                    |                                 |                              |                              |
| 7       | Profit before tax (5-6)                                                                       | -131.66                         | 1049.92                            | -106.02                         | 2313.57                      | 1953.97                      |
| 8       | Tax expense                                                                                   |                                 |                                    |                                 |                              |                              |
|         | -Current Tax                                                                                  | 98.96                           | 380.78                             | 830.39                          | 925.46                       | 1281.39                      |
|         | -Deferred Tax Asset(Liability)                                                                | 72.59                           | -8.88                              | 141.18                          | 157.69                       | 549.96                       |
| 9       | Profit for the period (7-8)                                                                   | -158.03                         | 660.26                             | -795.23                         | 1545.80                      | 1222.55                      |
| 10      | Minority Interest                                                                             | -0.04                           | 0.10                               | -0.78                           | 0.69                         | 0.83                         |
| 11      | Profit for the period after taxes and minority interest (9-10)                                | -158.00                         | 660.17                             | -794.45                         | 1545.11                      | 1221.71                      |
| 12      | Other comprehensive income                                                                    |                                 |                                    |                                 |                              |                              |
| a)      | (i) Items that will not be reclassified to profit or loss                                     | 60.87                           | 11.26                              | -32.54                          | 94.62                        | 44.98                        |
|         | (ii) Income tax related to items that will not be reclassified to profit or loss              | 21.38                           | 3.90                               | -11.26                          | 33.06                        | 15.57                        |
| b)      | (i) Items that will be reclassified to profit or loss                                         |                                 |                                    |                                 |                              |                              |
|         | (ii) Income tax related to items that will be reclassified to profit or loss                  |                                 |                                    |                                 |                              |                              |
| 13      | Total comprehensive income for the period (11+12)                                             | -118.51                         | 667.53                             | -815.74                         | 1608.66                      | 1251.12                      |
| 14      | Paid-up equity share capital (face value of Rs. 10/- each)                                    | 664.28                          | 664.28                             | 664.28                          | 664.28                       | 664.28                       |
| 15      | Other equity excluding revaluation reserves as per balance sheet of previous accounting year. | -                               | -                                  | -                               | -                            | -                            |
| 16      | Earning per share (of Rs. 10/- each) (not annualised)                                         |                                 |                                    |                                 |                              |                              |
| (a)     | Basic                                                                                         | -2.38                           | 9.94                               | -11.97                          | 23.27                        | 18.40                        |
| (b)     | Diluted                                                                                       | -2.38                           | 9.94                               | -11.97                          | 23.27                        | 18.40                        |

Place: Ludhiana  
Date: 30-05-2019

For and on behalf of Board of Directors

  
Sanjiv Garg  
Managing Director  
DIN:00444558

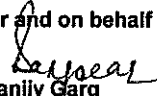
**Notes:**

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The above consolidated financial results includes result of subsidiary Garg International.                                                                                                                                                                                                                                                                                                                                             |
| 2 | The Company is primarily in the business of manufacturing and sales of textile products. The Chief Operating Decision Maker (CODM), The Chairman & Managing Director, performs a detailed review of the operating results, makes decisions about the allocation of resources based on the analysis of the various performance indicators of the Company as a whole. Therefore, there is only one operating segment namely, "Textiles". |
| 3 | The Financial Results has been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and SEBI's circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.                                                                                                                                                            |
| 4 | The figures for the quarter ended March 31 are the balancing figures between the audited figures in respect of full year ended March 31 and unaudited figures upto nine months ended December 31.                                                                                                                                                                                                                                      |
| 5 | Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification / disclosure.                                                                                                                                                                                                                                                                |
| 6 | Financial Results has been reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on May 30, 2019. The statutory auditors have expressed an unmodified opinion on the aforesaid results.                                                                                                                                                                                              |
| 7 | In accordance with Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opted to publish consolidated financial results. The standalone financial results of the Company is available on the Company's website <a href="http://www.gargltd.com">www.gargltd.com</a> or on the website of MSE( <a href="http://www.msei.in">www.msei.in</a> ).                                    |

Place: Ludhiana

Date: 30-05-2019

For and on behalf of Board of Directors

  
Sanjiv Garg  
Managing Director  
DIN:00444558