

**36th ANNUAL REPORT
2019-20**

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)
Arun Sharma	(Din No. 00839359)	(Independent Director)
Ritu Joshi	(Din No. 07141537)	(Independent Director)

CHIEF FINANCIAL OFFICER

Ramandeep Singh

COMPANY SECRETARY

Ridhima Sood

AUDITORS

MALHOTRA MANIK & ASSOCIATES
Chartered Accountants
29-A, Bhai Randhir Singh Nagar,
Ludhiana-141001

REGISTRAR & SHARE TRANSFER AGENT

M/S Skyline Financial Services Pvt. Ltd.
D-153A, First Floor, Okhla Industrial Area,
Phase-1, New Delhi-110020.

BANKERS

Punjab and Sind Bank
Punjab National Bank
Punjab National Bank (Formerly OBC Bank)
IDBI Bank Ltd
Indian Bank (Formerly Allahabad Bank)
South Indian Bank Ltd

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

ANNUAL GENERAL MEETING

On 28th Sept., 2020 at 3.00 p.m. through
Video Conferencing ("VC") or
Other Audio Visual Means ("OAVM")

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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 36th Annual General Meeting of the members of Garg Acrylics Limited will be held on Monday the 28th day of September 2020 at 3:00 P.M. through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact with or without modification(s), the following business:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Standalone & Consolidated Audited Balance Sheet as at 31st March, 2020, Profit & Loss 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.

SPECIAL BUSINESS:-

3. 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, 2021, 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."

**By Order of the Board
For Garg Acrylics Limited**

Place: Ludhiana
Dated: 31.08.2020

Sanjiv Garg
Managing Director
DIN: 00217156

IMPORTANT NOTES:

1. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("Act"), which sets out details relating to Special Business set out in item Nos. 3 of the accompanying Notice is annexed herewith and relevant details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as per Secretarial Standard issued by The Institute of Company Secretaries of India, of persons seeking appointment/ re-appointment as Directors, are also annexed hereto as **Annexure-1.**
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through

video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gargltd.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. Metropolitan Stock Exchange of India Limited at www.msei.in. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 8. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
 9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12.05.2020, the Notice of the 36th AGM along with Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 36th AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered.
- Members may please note that Notice and Annual Report 2019-20 will also be available on the Company's website www.gargltd.com, website of Stock Exchange i.e. www.msei.in and on the website of CDSL <https://www.evotingindia.com>.
10. The Registers of Members and Share Transfer Books of the Company will remain closed from Monday 21st September, 2020, to Monday 28th September, 2020 (both days inclusive).

11. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend or change in registered address along with pin code number and relevant evidences are requested to write to the Company or its Registrar i.e. Skyline Financial Services Private Limited, New Delhi. Members holding shares in electronic form shall update such details with their respective Depository Participants with whom they are maintaining their demat account.
12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with their Depository Participants or with Skyline Financial Services Private Limited, New Delhi to enable us to send them the communications meant for the members via email.
13. Mr. Sunny Kakkar, Practicing Company Secretary (M. No. FCS 10111 & C.P. No. 12712) has been appointed as the Scrutinizer to scrutinize the voting and e-voting process in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same and declare the result of the voting forthwith.
14. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.gargltd.com and on the website of CDSL immediately after the declaration of result by the Chairman. The results shall also be immediately forwarded to the Metropolitan Stock Exchange of India Limited, Mumbai.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 25.09.2020 at 10.00 a.m. and ends on 27.09.2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login – Myeasiusing your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.



(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> ➤ Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> ➤ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatory enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> i.e. Garg Acrylics Limited on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. The Skyline Financial Services Private Limited, Registrar and Share Transfer Agent, of the Company will be providing VC/OAVM Services.
3. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at email id: gargacrylics@yahoo.com. These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address i.e. gargacrylics@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

ANNEXURE-1 TO THE NOTICE

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

Name of the Director	Sh. Sanjiv Garg
Date of Birth	10-11-1960
Date of Appointment	01-08-2010
Qualification	B.Com
Expertise in Specific Area	Industrialist & Business Experience of 39 years in Textile and Iron & Steel Industry.
Directorship in other Companies as on 31st March, 2020	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 31st March, 2020	-----
Shareholding in the Company	374400 shares (5.64%)
Relationship With Other Director	Mr. Rajiv Garg is the brother and Mr. Ujjwal Garg is the son of Mr. Sanjiv Garg.

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

Item No. 3

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 27th July, 2020 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, 2021. The consent of the members is solicited for passing an Ordinary Resolution as set out at Item No. 3 of the notice for ratification of payment of remuneration to the Cost Auditors for the Financial Year ending 31st March, 2021. The Board recommends the Ordinary Resolution as set out at Item No. 3 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. 3.

**By Order of the Board
For Garg Acrylics Limited**

**Place: Ludhiana
Dated: 31.08.2020**

**Sanjiv Garg
Managing Director
DIN: 00217156**

DIRECTOR'S REPORT

The Members of
Garg Acrylics Limited

The Directors of your company have pleasure in presenting the 36th Annual Report together with the Audited Accounts for the year ended March 31, 2020.

1. FINANCIAL RESULTS:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with The Companies (Accounts) Rules, 2014. The financial statements for the financial year ended 31st March, 2020 as well as comparative figures for the year ended 31st March, 2019 are Ind AS compliant. The financial highlights of your Company for the year ended 31st March, 2020 are summarized as follows:

	Standalone		Consolidated	
	(Rupees in Lacs)		(Rupees in Lacs)	
	2019-20	2018-19	2019-20	2018-19
Revenue from operation	139503.29	184498.74	139503.29	184594.48
Profit before depreciation	4960.55	9632.81	4960.58	9643.66
Depreciation	7170.06	7342.09	7170.06	7342.09
Profit before taxation	-2209.51	2290.72	-2209.47	2301.57
Provision for taxation				
- Current year tax	98.27	886.94	98.27	886.94
- Deferred Tax Assets (Liabilities)	807.27	157.69	807.27	157.69
- Previous Year tax Provisions/written Back	134.54	16.37	134.95	14.22
Profit after tax	-1635.05	1545.11	-1635.42	1558.10
Net profit attributable to				
- Owners of the Holding Company	N.A	N.A	-1635.06	1557.42
- Non-Controlling interest	N.A	N.A	-0.37	0.69
Earning per Share				
- Basic	-24.61	23.26	-24.61	23.45
- Diluted	-24.61	23.26	-24.61	23.45
Dividend per Share	Nil	Nil	Nil	Nil

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A) BUSINESS REVIEW:

Economic Outlook:

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY2019-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY19.

A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019. During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities.

Indian Textile Industry

India is the world's second largest producer of textiles and garments. The textile industry plays a significant role in the economy, contributing to over 13% of industrial output and over 2% of GDP. The industry employed more than 4.5 Crore citizens and contributed ~15 per cent to the export earnings of India in FY20. The domestic textile and apparel market is estimated at US\$ 100 billion in FY19, growing at a CAGR of 10 % since 2005-06.

Rising per capita income, favorable demographics and a shift in preference to branded products is expected to catalyze demand. India's textile and apparel exports stood at US\$38.70 billion in FY19 with US\$11.92 billion in FY20 (up to July 2019). Increase in domestic demand would boost cloth production. Cloth production in FY19 stood at 70 billion square meters and at 29.04 billion square meters by August 2019. Apparel manufacturers are diversifying exports into countries such as Japan, Israel, South Africa, and Hong Kong. India is highly integrated into GVCs of countries such as Bangladesh, South Africa, Sri Lanka, UAE, Belgium, US, Indonesia, Malaysia, UK and Hong Kong, India's textile industry is at the confluence of favorable quantity and price of raw materials. In addition to cost competitiveness over China and Brazil, India also has diverse supply of raw materials.

Cotton:

The total cotton production in India was estimated at 354.50 lakh bales of 170 kgs for the 2019-20 season. According to the Cotton Association of India, the opening stock of the season was estimated at 32.00 lakh bales and the carryover stock estimated at the end of the season was 38.50 lakh bales. The domestic consumption was expected to be around 331 lakh bales, whereas imports and exports were estimated at 25 lakh bales and 42 lakh bales respectively in FY20.

Opportunities & Threats:

- Opportunities- Growing economy and domestic market, Increasing demand for hygiene textiles post COVID-19, 'Make in India' initiatives by the Government of India, Stringent import policies and hikes in import duties, Strengthening the value chain by using superior technology and value-added products, Continuous innovation and technology upgradation.
- Threats - Outbreak of pandemic like COVID-19, affecting manufacturing and sales Low, consumer sentiment due to pandemic crisis, Inventory pile ups due to COVID-19 Lack of skilled workers, Declining fashion preference cycle, Increased resource costs, Emergence of international brands, Increase in cheaper imports, Closure of malls, retail outlets due to COVID-19 resulting in a change in the world trade scenario

Outlook:

The last fortnight of the financial year under review was marked by COVID-19, resulting in lockdown, shutting down of the Company's office and factories coupled with declining offtake. However, the Company's initiatives in strengthening domain competence, enhanced focus on cost management and technology led manufacturing along with a strong employee base will protect long-term competitiveness.

B) FINANCIAL ANALYSIS AND REVIEW OF OPERATIONS:

Sales Review:

During the year under review, the Company has registered Revenue from Operations of Rs.1395.03 crore as compared to Rs.1844.99 crore. The exports of the Company were Rs.523.52 crore as against Rs. 676.94 crore in the previous years.

Production:

The production during the year 2019-20

Yarn	Garments	Knitted Cloth
56784.197 M.T	2215090 Pieces	3555341.610 Kg

Profitability:

The Company earned profit before depreciation, interest and tax of Rs.104.02 crore as against Rs. 152.16 crore in the previous year. After providing for depreciation of Rs.71.70 crore (Previous year Rs. 73.42 crore), interest cost of Rs. 54.41 Crores (Previous Year Rs. 55.84 Crore), provision for tax Rs. 2.33 crore (Previous year Rs. 9.02 crore), provision for deferred tax (net of adjustments) Rs. (8.07) crore (previous year Rs. (1.58) crore), the net profit/(loss) from operations worked out to Rs. (16.35) crore as compared to Rs. 15.45 crore in the previous year.

Resources Utilization:

i) Fixed Assets:

The fixed assets (including work-in-progress) as at 31st March, 2020 were Rs.359.25 crore as compared to Rs. 418.17 crore in the previous year.

ii) Current Assets:

The current assets as on 31st March, 2020 were Rs. 607.86 crore as against Rs. 625.08 crore in the previous year. Inventory level was at Rs. 327.58 crore as compared to the previous year level of Rs. 333.30 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 4150 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.

F) DETAIL OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO:

Ratios		F.Y. 2019-2020	F.Y. 2018-2019
1.	Debtors Turnover Ratio	7.07	9.70
2.	Inventory Turnover Ratio	3.84	5.01
3.	Interest Coverage Ratio	1.92	2.52
4.	Current Ratio	1.10	1.12
5.	Debt. Equity Ratio	2.85	2.91
6.	Operating margin Ratio	2.61	4.49
7.	Net Profit margin	-1.17	0.84
8.	Return on net worth	-0.064	0.057

3. SHARE CAPITAL:

The paid up Equity Share capital as on 31st March, 2020 was Rs.66428000. During the year under review, the Company has neither issued any shares nor granted stock options or sweat equity, preference shares and also not made any provision for purchase of its own shares by employees or by trustees

4. DIVIDEND:

Due to loss this year, the Board of Directors does not recommend any dividend for the year under review.

5. TRANSFER TO RESERVES:

Due to loss this year, the Company has not transferred any amount to reserves.

6. SUBSIDIARY, JOINT VENTURES & ASSOCIATE COMPANY:

As on March 31, 2020, the Company does not have any associate and Joint Ventures but having one Subsidiary i.e. Garg International (Partnership Firm).

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. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sanjiv Garg (Din No. 00217156), 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.

11. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. 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**.

13. AUDITOR & AUDITOR'S REPORT:

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members of the Company at the 33rd Annual General Meeting held on 28th September, 2017 appointed M/s. Malhotra Manik & Associates, Chartered Accountants (Firm Registration No. 015848N) as statutory auditors of the Company from the conclusion of 33rd Annual General Meeting till the conclusion of 38th Annual General Meeting. As required under Regulation 33 of the Listing Regulations, 2015 the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Report given by the Auditors on the financial statements of the Company is part of this Report. There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further the notes to accounts referred to in the Auditor's Report are self-explanatory.

14. 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 2019-20. 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 31st March, 2020. No adverse comments have been made in the said report by the Practicing Company Secretary. Their Report forms parts of this Report as **Annexure-III**

Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31st March, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s R.K. Loomba & Associates, Secretarial Auditors, and submitted to the stock exchange the same is also annexed hereto and forms part of this report as **Annexure-III**.

15. 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 2020-21. 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 2020-21 is placed for ratification by the members.

16. NUMBER OF BOARD MEETINGS:

Six (6) meetings of the Board of Directors of the company were held during the Financial Year 2019-20.

17. AUDIT COMMITTEE:

The Audit committee comprises of Independent Directors namely Mr. Pardeep Kumar 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.

18. 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 M/s Manik Malhotra & Associates, Chartered Accountant 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.

19. 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**.

20. 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**.

21. 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**.

22. 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.

23. INDUSTRIAL RELATIONS:

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

24. 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.

25. CONSOLIDATED FINANCIAL STATEMENTS:

In the compliance with provisions of section 129(3) of the companies Act 2013 read with the companies Account Rules 2014, the company has prepared consolidated financial statements as per the accounting standards on consolidated financial statements issued by ICAI. The audited consolidated financial statements along with Auditors Report thereon form part of this report. Further a statement containing salient features of the subsidiary/associate company is disclosed separately (in Form AOC-1) and forms part of this report as **Annexure-VII**.

26. 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. Further Form No. AOC-2 is annexed hereto and form part of this report as **Annexure –VIII**.

Your Directors draw attention of the members to Note 39 to the financial statement which sets out related party disclosures.

27. 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.

28. DEPOSITS:

The Company has not invited/accepted any deposits from the public during the year ended March 31, 2020. There were no unclaimed or unpaid deposits as on March 31, 2020.

29. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) In the preparation of the annual accounts, the applicable Indian Accounting Standards (Ind-AS) 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.

30. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:-

During the year under review no such complaint or grievance occurred under the Act named The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

31. 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.

32. LISTING:

The company's equity shares are listed at Metropolitan Stock Exchange of India Limited and Annual Listing Fees for 2020-21 have been paid.

33. 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.

34. IMPACT OF COVID -19 PANDEMIC

In March, 2020, World Health Organization (WHO) has declared the outbreak of Novel Corona virus "COVID-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. Complying with the directives of Government, all the Spinning plants and offices of the company has been under lock-down impacting its operations. The Company is monitoring the situation closely and the overall impact on the business of the company will depend on future development which cannot be reliable predicted.

The Company has made intensive efforts to surpass the Covid challenge through an enhanced hygiene and adherence to the social distancing norms, use of masks and sanitizers etc. The Company is committed to ensure the safety and wellbeing of its employees.

In compliance with the relaxations given by the Ministry of Home Affairs (MHA) and after seeking approval from the concerned State Govt. authorities, wherever required, the Company started limited operation at its manufacturing facilities. With the easing of lockdown norms and opening up of markets, the capacity utilization of all of our manufacturing plants-is gradually increasing over a period of time.

The Company has availed Covid-19 emergencies working capital loans and deferment of interest and installments from consortium bankers to meet temporary liquidity mismatch and maintain day to day operations.

The Company is continuously monitoring the impact on the operations and financials of the company and taking necessary steps in the best interest of its people, customers and communities and is confident that the demand situation will resume to its normalcy gradually.

35. 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: 31.08.2020

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 31st March, 2020.

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 focused on 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.5235238636.00	Rs.6769354214.00
Used (CIF value of Imports)	Rs.2134598272.00	Rs.543435661.00

By order of the Board
For GARG ACRYLICS LIMITED

Place: Ludhiana
Dated: 31.08.2020

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 30th 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 30th May, 2014 and may be amended subject to the approval of Board of Directors.

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

**Sanjiv Garg, Managing Director
DIN: 00217156**

ANNEXURE-III

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020

(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 31.03.2020 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 31.03.2020 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 (Not applicable to the company during the Audit Period);
- (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 (Prohibitions of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not applicable to the company during the Audit Period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. (Not applicable to the company during the Audit Period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the act and dealing with the client.

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the company during the Audit Period);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the Audit Period);
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

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 authorized 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 wholetime directors of the company in my opinion adequate system and processes and control mechanism exist in the company to monitor and ensure compliance with applicable 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 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: 29.06.2020
Place: Ludhiana

Rajesh Kumar Loomba
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.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on the secretarial records based on our audit.
2. I 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. I believe that the processes and practices, we followed provide are reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 29.06.2020

Place: Ludhiana

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

Secretarial Compliance report of GARG ACRYLICS LIMITED For the year ended 31.03.2020

To,
The Members,
M/s Garg Acrylics Limited,
Delhi

**Secretarial Compliance report of GARG ACRYLICS LIMITED
For the year ended 31.03.2020**

I Rajesh Kumar Loomba, Prop. M/S R.K. Loomba & Associates have examined:

- a) All the documents and records made available to us and explanation provided by **Garg Acrylics Limited** ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,

d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31 March 2020 ("Review Period") in respect of compliance with the provisions of:

a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the Audit Period)

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period)

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period)

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period)

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not Applicable to the Company during the Audit Period)

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter as "Insider Trading Regulation")

i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and Circulars/ guidelines issued thereunder and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder:

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

(c) There are no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

For R. K. Loomba & Associates
Company Secretaries

Date: 26.06.2020
Place: Ludhiana

Rajesh Kumar Loomba
(Prop.)
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 31.03.2020

I. REGISTRATION & OTHER DETAILS:									
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							
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY									
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)									
S. No.	Name and Description of main products / services		NIC Code of the Product/service		% to total turnover of the company				
1	Cotton Yarn		5205		47.59%				
2	Blended Yarn		5509 ; 5206		25.49%				
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES									
SN	Name and address of the Company		CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section			
1.	Garg International		-----	Subsidiary	95%	Sec 2 (87)			
IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	723,840	1,059,600	1,059,600	15.95%	723,840	1,059,600	1,059,600	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.	2,679,680	2,679,680	2,679,680	40.34%	2,679,680	2,679,680	2,679,680	40.34%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	3,403,520	3,739,280	3,739,280	56.29%	3,403,520	3,739,280	3,739,280	56.29%	0.00%



(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%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	3,403,520	3,739,280	3,739,280	56.29%	3,403,520	3,739,280	3,739,280	56.29%	0.00%
B. Public Shareholding									
1. Institutions									
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%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	478,720	1,351,120	1,351,120	20.34%	478,720	1,351,120	1,351,120	20.34%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	29600	832,400	832,400	12.53%	29600	832,400	832,400	12.53%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	720,000	720,000	10.84%	0	720,000	720,000	10.84%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
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 -	-	-	-	0.00%	-	-	-	0.00%	0.00%



DR									
Sub-total (B)(2):-	508,320	2,903,520	2,903,520	43.71%	508,320	2,903,520	2,903,520	43.71%	0.00%
Total Public (B)	508,320	2,903,520	2,903,520	43.71%	508,320	2,903,520	2,903,520	43.71%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	3,911,840	6,642,800	6,642,800	100.00%	3,911,840	6,642,800	6,642,800	100.00%	0.00%

(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	80	0.00%	0.00%	80	0.00%	0.00%	0.00%
2	VIMAL NANDA	80	0.00%	0.00%	80	0.00%	0.00%	0.00%
3	SUNIL NANDA	80	0.00%	0.00%	80	0.00%	0.00%	0.00%
4	RAVI NANDA	80	0.00%	0.00%	80	0.00%	0.00%	0.00%
5	RAJ NANDA	80	0.00%	0.00%	80	0.00%	0.00%	0.00%
6	JAGDISH.K.JAIN	80	0.00%	0.00%	80	0.00%	0.00%	0.00%
7	ARUN.K.AGGARWAL	80	0.00%	0.00%	80	0.00%	0.00%	0.00%
8	SANJIV GARG	374,400	5.64%	0.00%	374,400	5.64%	0.00%	0.00%
9	SANJIV GARG & SONS (HUF)	800	0.01%	0.00%	800	0.01%	0.00%	0.00%
10	D.P.GARG & SONS (HUF)	133,440	2.01%	0.00%	133,440	2.01%	0.00%	0.00%
11	RENU GARG	64,800	0.98%	0.00%	64,800	0.98%	0.00%	0.00%
12	NEELU GARG	56,800	0.86%	0.00%	56,800	0.86%	0.00%	0.00%
13	UJJWAL GARG	40,800	0.61%	0.00%	40,800	0.61%	0.00%	0.00%
14	RAJIV GARG	330,400	4.97%	0.00%	330,400	4.97%	0.00%	0.00%
15	RAJIV GARG & SONS (HUF)	800	0.01%	0.00%	800	0.01%	0.00%	0.00%
16	TOSHAK GARG	56,800	0.86%	0.00%	56,800	0.86%	0.00%	0.00%
17	SHUBHAM YARNS PVT.LTD	1,497,520	22.54%	0.00%	1,497,520	22.54%	0.00%	0.00%
18	GAL COTTEX PVT.LTD	1,063,920	16.02%	0.00%	1,063,920	16.02%	0.00%	0.00%
19	PUSHPA YARNS PVT LTD	25,600	0.39%	0.00%	25,600	0.39%	0.00%	0.00%
20	GARG FINCAP LIMITED	92,640	1.39%	0.00%	92,640	1.39%	0.00%	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change) -

SN	Name of Shareholder	Shareholding at the beginning of the year		Change during the year	Increase/Decrease in Promoters Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1	ARUN NANDA	80	0.00%	-----	-----	-----	80	0.00%
2	VIMAL NANDA	80	0.00%	-----	-----	-----	80	0.00%
3	SUNIL NANDA	80	0.00%	-----	-----	-----	80	0.00%
4	RAVI NANDA	80	0.00%	-----	-----	-----	80	0.00%
5	RAJ NANDA	80	0.00%	-----	-----	-----	80	0.00%
6	JAGDISH.K.JAIN	80	0.00%	-----	-----	-----	80	0.00%
7	ARUN.K.AGGARWAL	80	0.00%	-----	-----	-----	80	0.00%
8	SANJIV GARG	374,400	5.64%	-----	-----	-----	374,400	5.64%
9	SANJIV GARG & SONS (HUF)	800	0.01%	-----	-----	-----	800	0.01%
10	D.P.GARG & SONS (HUF)	133,440	2.01%	-----	-----	-----	133,440	2.01%
11	RENU GARG	64,800	0.98%	-----	-----	-----	64,800	0.98%

12	NEELU GARG	56,800	0.86%	-----	-----	-----	56,800	0.86%
13	UJJWAL GARG	40,800	0.61%	-----	-----	-----	40,800	0.61%
14	Rajiv Garg	330,400	4.97%	-----	-----	-----	330,400	4.97%
15	RAJIV GARG & SONS (HUF)	800	0.01%	-----	-----	-----	800	0.01%
16	TOSHAK GARG	56,800	0.86%	-----	-----	-----	56,800	0.86%
17	SHUBHAM YARNS PVT.LTD	1,497,520	22.54%	-----	-----	-----	1,497,520	22.54%
18	GAL COTTEX PVT.LTD	1,063,920	16.02%	-----	-----	-----	1,063,920	16.02%
19	PUSHPA YARNS PVT LTD	25,600	0.39%	-----	-----	-----	25,600	0.39%
20	GARG FINCAP LIMITED	92,640	1.39%	-----	-----	-----	92,640	1.39%

(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-2019)		Shareholding at the end of the year (As on 31-Mar-2020)		% Change in during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
	Name					
1	Himachal Yarns Limited	478,720	7.21%	478,720	7.21%	0.00%
2	Ashwani Aggarwal	360,000	5.42%	360,000	5.42%	0.00%
3	Sumit Aggarwal	360,000	5.42%	360,000	5.42%	0.00%
4	Apoorva leasing finance & Inv Co Ltd	240,000	3.61%	240,000	3.61%	0.00%
5	Shiva Spinfab Private Ltd	214,400	3.23%	214,400	3.23%	0.00%
6	Brijeshwari Textiles Private Ltd	168,000	2.53%	168,000	2.53%	0.00%
7	Shiv Narayan Investments Private Ltd	130,000	1.96%	130,000	1.96%	0.00%
8	Balmukhi Textiles Private Ltd	120,000	1.81%	120,000	1.81%	0.00%
9	Ashok Kumar Garg	12,000	0.18%	12,000	0.18%	0.00%
10	Akriti Aggarwal	12,000	0.18%	12,000	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-2019)		Shareholding at the end of the year (As on 31-Mar-2020)		% Change in during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
	Name					
1	Mr. Sanjiv Garg, MD	374,400	5.64%	374,400	5.64%	0.00%
2	Mr. Rajiv Garg, MD	330,400	4.97%	330,400	4.97%	0.00%
3	Mr. Ujjwal Garg, WTD	40,800	0.61%	40,800	0.61%	0.00%
4	Mr. Arun Sharma, Director	-	-	-	-	-
5	Mr. Vijay Singhania Director	-	-	-	-	-
6	Mr. Pardeep Kumar Makkar, Director	-	-	-	-	-
7	Mrs. Ritu, Director	-	-	-	-	-
8	Mr. Ramandeep Singh, CFO	-	-	-	-	-
9	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			
Indebtedness at the beginning of the financial year					
i) Principal Amount	35998.13	25168.26	2286.61	-	63453.00
ii) Interest due but not paid	-	-	-	-	-

iii) Interest accrued but not due	-	102.45	162.00	-	264.45
Total (i+ii+iii)	35998.13	25270.71	2448.61	-	63717.45

Change in Indebtedness during the financial year

* Addition	3973.44	-	17.79	-	3991.23
* Reduction	-	(5483.26)	(1078.45)	-	(6561.71)
Net Change	3973.44	(5483.26)	(1060.66)	-	(2570.48)

Indebtedness at the end of the financial year-

i) Principal Amount	39971.57	19633.46	1387.95	-	60992.98
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	153.99	-	-	153.99
Total (i+ii+iii)	39971.57	19787.45	1387.95	-	61146.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Sanjiv Garg	Mr. Rajiv Garg	Mr. Ujjwal Garg	(Rs/Lac)
	Name	MD	MD	WTD	
	Designation	MD	MD	WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2455815	2455815	2046531	6958161
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	39600	39600	118800
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	2495415	2495415	2086131	7076961
	Ceiling as per the Act	10% of Net Profit			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Arun Sharma	Mr. Pardeep Kumar Makkar	Mr. Vijay Singhania	Mrs. Ritu Joshi	(Rs/Lac)
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify- Professional Fees As approved from Central Government	-	900,000	-	-	900,000
	Total (1)	-	900,000	-	-	900,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	900,000	-	-	900,000

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

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	4,32,000	444,000	876,000
	(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	-	-	-
	Total	432,000	444,000	876,000

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)
A. COMPANY					
Penalty					
Punishment					
Compounding				Nil	
B. DIRECTORS					
Penalty					
Punishment					
Compounding				Nil	
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding				Nil	

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

**Place: Ludhiana
Dated: 31.08.2020**

**Sanjiv Garg, Managing Director
DIN: 00217156**

ANNEXURE- V

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20:

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. 20.26 crore

4 Prescribed CSR Expenditure – 0.40 crore

5 Details of CSR spent during the year:

- i) Total amount spent for the financial year: - 0.04 crore
- ii) Amount unspent, if any: - 0.36 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.0.20Cr	Rs.0.04Cr	----	Rs.0.11Cr	-----

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

The Company has spent Rs.0.04 crores in the financial year 2019-20 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.

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

**Place: Ludhiana
Dated: 31.08.2020**

**Sanjiv Garg, Managing Director
DIN: 00217156**

Annexure VI

- (a) Disclosure in Director's Report pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

PARTICULARS OF REMUNERATION

1. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company For the Financial Year 2019-20:

Name of the Directors	Ratio of Median Remuneration
Sh. Sanjiv Garg	9.90
Sh. Rajiv Garg	9.90
Sh. Ujjwal Garg	8.27

2. The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary, if any, in the Financial year 2019-20:-

Name	Designation	% increase in remuneration
Sh. Sanjiv Garg	Managing Director	10%
Sh. Rajiv Garg	Managing Director	10%
Sh. Ujjwal Garg	Whole Time Director	10%
Mr. Ramandeep Singh*	Chief Financial Officer	----
Miss Ridhima Sood*	Company Secretary	----

*During the year there is no increase in the salary of aforesaid.

3. The percentage increase in the Median Remuneration of Employees in the Financial Year 2019-20.

The percentage increase in the median remuneration of employees during the year is 8%.

4. The number of permanent employees on the rolls of Company as on 31st March, 2020: 4150

5. Average percentile increase made in the salaries of employees other than the Managerial Personnel In the last Financial Year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average percentage increase made in Salaries of employees other than Managerial Personnel in the Financial Year 2019-20 was 8 %, Percentage increase in the managerial remuneration for the year has been given above in point no. 2.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is confirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Remuneration Policy of the Company.

- (b) Statement showing particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016: Nil

By order of the Board
For GARG ACRYLICS LIMITED

Place: Ludhiana
Dated: 31.08.2020

Sanjiv Garg, Managing Director
DIN: 00217156

ANNEXURE-VII

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1.	Sl. No.	1.
2.	Name of the subsidiary	Garg International
3.	The date since when subsidiary was acquired	01.04.2010
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not different
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
6.	Share capital	Rs.8610890
7.	Reserves & Surplus	-----
8.	Total assets	Rs.17893365
9.	Total Liabilities	Rs.17893365
10.	Investments	-----
11.	Turnover	Rs. Nil
12.	Profit before taxation	Rs.69292
13.	Provision for taxation	Rs.21619
14.	Profit after taxation	Rs.47673
15.	Proposed Dividend	-----
16.	Extent of shareholding (In percentage)	95%

- Names of subsidiaries which are yet to commence operations-N.A
- Names of subsidiaries which have been liquidated or sold during the year-N.A

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and joint ventures

Name of associates/Joint Ventures	
1. Latest audited Balance Sheet Date	-----
2. Date on which the Associate or Joint Venture was associated or Acquired	-----
3. Shares of Associate/Joint Ventures held by the company on the year end	
-No.	-----
-Amount of Investment in Associates/Joint Venture	-----
-Extend of Holding (in Percentage)	-----
4. Description of how there is significant influence	-----
5. Reason why the associate/joint venture is not consolidated	-----
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-----
7. Profit/Loss for the year	-----
i Considered in Consolidation	-----
ii Not Considered in Consolidation	-----

- Names of associates or joint ventures which are yet to commence operations- N.A
- Names of associates or joint ventures which have been liquidated or sold during the year- Nil

For Malhotra Manik & Associates

Chartered Accountants

C.A. Manik Malhotra
Partner.
Place: Ludhiana
Date: 27.07.2020

For and on behalf of Board of Directors

Rajiv Garg Mg. Director	Ujjwal Garg Wholetime Director
Ramandeep Singh Chief Financial Officer	Ridhima Sood Company Secretary

ANNEXURE-VIII

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provisions thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL							

1. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Garg International- (enterprise in which director or KMP has significant interest)	Purchase of goods	1 year	At fair market value i.e. Arm length basis Rs.0.00	30.05.2019	Nil
Garg International- (enterprise in which director or KMP has significant interest)	Sale of goods	1 year	At fair market value i.e. Arm length basis Rs.0.00	30.05.2019	Nil
Sambhav Garg- (Relative of Director)	Remuneration	1 year	Rs.1500120	30.05.2019	Nil

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

**Place: Ludhiana
Dated: 31.08.2020**

**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 7 directors out of which 4 are independent non executive directors and all the independent Directors have confirmed that they meet 'independence' criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Act. The composition and category of Directors as on 31st March, 2020 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 Kumar Makkar Mr. Vijay Singhania 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	No. of Share	Attendance Particulars		No. of other Directorship and Committee membership/ Chairmanship		
		Board Meeting	Last AGM	Other Directorship*	Committee Membership	Committee Chairmanship
Mr. Sanjiv Garg	374400	6	Present	3	None	None
Mr. Rajiv Garg	330400	6	Present	3	None	None
Mr. Ujjwal Garg	40800	6	Present	1	None	None
Mr. Pardeep Kumar Makkar	None	6	Present	None	None	None
Mr. Vijay Singhania	None	6	Present	None	None	None
Mr. Arun Sharma	None	6	Present	3	None	None
Mrs. Ritu	None	6	Present	None	None	None

* None of the director hold directorship in other listed entities.

- During the financial year 2019-20, the Board of Directors met 8 times on the following dates 30-05-2019, 14-08-2019, 10-09-2019, 14-11-2019, 22-01-2020 & 14-02-2020.
- 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.
- None of the Non- executive directors of the company held any shares and convertible instruments.
- The familiarization programmes imparted to independent directors is available at website of company. i.e. www.gargltd.com
- The Board of Garg Acrylics Limited comprises of qualified members who bring in required skills, expertise and competence so that fruitful contribution is made by the Board and its committees and achieves highest standards of Corporate Governance.

The table below summarizes the key attributes and skills matrix of the Board of Directors as required in the context of business:

1. Financial: Proficiency in Financial Management, Capital Allocation, Treasury and Accountancy, Costing, Budgetary Controls.
2. Operations: Understanding Organizations, Business processes, Strategic Planning, Driving change, Risk Management, Economies of Scale, Innovation.
3. Global Business Leader: Handling diverse business scenario, Global market opportunities, Macro policies and business economics.
4. Governance: Protecting the interest of stakeholders, enterprise reputation, accountability and following governance practice.

Name of Director	Attributes
Mr. Sanjiv Garg	Financial, Operations, Global Business Leader, Governance
Mr. Rajiv Garg	Financial, Operations, Global Business Leader, Governance
Mr. Ujjwal Garg	Financial, Operations, Governance
Mr. Pardeep Kumar Makkar	Financial, Governance
Mr. Vijay Singhania	Governance
Mr. Arun Sharma	Governance
Mrs. Ritu	Governance

- All Independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board thereby ensuring best interest of stakeholders and the Company. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to 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.

3.1 AUDIT COMMITTEE

a) Composition

The Audit Committee comprises of three non-executive director's viz. Shri Pardeep Kumar Makkar as Chairman, Shri Vijay Singhania and Sh. Arun Sharma as members.

b) Terms & Reference

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.

c) Meeting & Attendance

The Audit Committee met four times during the year on 30-05-2019, 14-08-2019, 14-11-2019 and 14-02-2020 and all the members of the Audit Committee have attended all the meetings.

4) NOMINATION AND REMUNERATION COMMITTEE

a) Composition

The remuneration committee comprises of three non-executive director's viz. Shri Pardeep Kumar Makkar as Chairman, Shri Vijay Singhania and Sh. Arun Sharma as members.

b) Terms & Reference

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.

c) Meeting & Attendance

The Remuneration Committee met Four times during the year on 30-05-2019, 14-08-2019, 14-11-2019 & 14-02-2020 and all the members of the Committee have attended the meeting.

d) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 judgment etc.

5) REMUNERATION OF DIRECTORS:

a) Remuneration Policy

The Nomination and Remuneration Policy provides for appropriate composition of Executive, Non-Executive Independent Directors on the Board of Directors of the Company along with criteria for appointment, remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of your Company. The details of the Remuneration paid to Managing Directors, Whole Time Directors and Independent/Non Executive Directors are stated in the Form MGT- 9– Extract of the Annual Return which forms part of the Board's Report.

The Company does not have any direct pecuniary relationships or transactions with any of its non executive directors.

b) Detail of Remuneration Paid:

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

(i) Executive Director

Sr	Name	Designation	Salary (In Rs)	Monitory Value of Non-Cash Perks (In Rs)	Total (In Rs)
1.	Mr. Sanjiv Garg	Managing Director	2455815/-	39600/-	2495415/-
2.	Mr. Rajiv Garg	Managing Director	2455815/-	39600/-	2495415/-
3.	Mr. Ujjwal Garg	WholeTime Director	2046531/-	39600/-	2086131/-

(ii) Non Executive Directors

Mr. Pardeep Kumar Makkar Chartered Accountant has been paid professional fee of Rs.900000. Other non executive directors have not been paid any remuneration/Sitting fees during the year.

c) Details of Fixed Component and Performance Linked Incentives, along with the Performance Criteria

Details of fixed component and linked Incentives, in the form of Monitory Value of Non Cash Perks are depicted above. Performance criteria of all the Directors of the Board are as per the Nomination and Remuneration Policy of the Company.

d) Service Contracts, Notice Period and Severance Fees

The employment of Managing Director shall terminate automatically in the event of his ceasing to be a Director of the Company in the General Meeting and/or in the event of his resignation as a Director of the Company and subsequent acceptance of the resignation by the Board and no severance fee is payable to the Managing Director. Notice period shall be as per the appointment letter issued by the Company at the time of joining.

e) Review of Performance and Compensation to Senior Management:

The Managing Director will approve the Remuneration of Senior Management which will be subject to review by Nomination and Remuneration Committee. The Nomination and Remuneration Committee reviews the performance of the senior management of the Company. The Committee ensures that the remuneration to the Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of your Company and its goals. The full policy is available at website of company. i.e. www.gargltd.com

6) 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).

a) Composition

The committee consists of three members viz. Sh. Pardeep Kumar Makkar, Director, as the Chairman and Sh Vijay Singhania and Sh. Rajiv Garg Directors as members.

b) Compliance Officer

The Board has designated Miss Ridhima Sood, Company Secretary as Compliance Officer.

c) Complaints Detail:

The total numbers of letters/complaints received and replied to the satisfaction of shareholders during the year ended 31st March 2020 were Nil. No requests for transfer/dematerialization were pending for approval as on 31st March, 2020.

d) Meeting & Attendance

The Stakeholder Relationship Committee met five times during the year on 01-04-2019, 30-05-2019, 14-08-2019, 14-11-2019 & 14-02-2020 and all the members of the Stakeholder Relationship Committee have attended the meeting.

6. (a) 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 One time during the year on 30-05-2019 and all the members of the Corporate Social responsibility Committee have attended the meeting.

6. (b) INDEPENDENT DIRECTOR'S MEETING

During the year, the Independent Directors met on 16th March, 2020 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. GENERAL BODY MEETINGS

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

Type of Meeting	Date	Time	Location of Meeting	Special Resolution Passed
35 th AGM	28.09.2019	4.00 P.M	Registered Office, at A-50/1, Wazirpur, Industrial Area, Delhi-52	1. Re-appointment of Mr. Arun Sharma 2. Re-appointment of Mr. Pardeep Makkar 3. Re-appointment of Mr. Vijay Singhania
34 th AGM	29.09.2018	4.00 P.M		No
33 rd AGM	28.09.2017	11.00 A.M		1.Increase in Authorised Capital 2.Approval for issue bonus share

The company has not passed any resolution through Postal Ballot during the financial year 2019-20.

8. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly Financial Results of the Company are sent to the Stock Exchange immediately after they are approved by the Board. The results are normally published in – English News papers (Financial Express) & Hindi News papers (Uttam Hindu). The results are simultaneously posted on the Company's website at www.gargltd.com and also uploaded on the website of the MSEI Ltd (www.msei.in). During the year, Company has not issued any press release, for the Audited Results for the year ended 31.03.2020.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website i.e. www.gargltd.com gives information on various announcements made by the Company, status of Shareholding Pattern, Annual Report, Quarterly/Half yearly/ Nine months and Annual financial results along with the applicable policies and other compliances of the Company on the Company's website.

9. GENERAL SHAREHOLDER INFORMATION

- 36th Annual General Meeting:**
Date: 28th September 2020
Time: 03.00 P.M.
Venue: Venue: through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")
- Financial Year:** 1 April 2019 to 31 March 2020
- Dividend Payment Due:** Within 30 days after declaration.
- Listing:** The Securities of the company are listed on the following Stock Exchange:-

Metropolitan Stock Exchange of India Limited
Vibgyor Towers, 4th floor, Plot No C 62, G - Block,
Opp. Trident Hotel, Bandra Kurla Complex,
Bandra(E), Mumbai, India

Listing Fees as applicable have been paid.
- ISIN Code for the Company's Equity Share:** INE244E01018 (having face value of Rs.10/-)



- vi) **Stock Market price data & Performance of share price for the year 2019-20:** The company's shares have not been traded during the financial year 2019-20, as such information about stock price data is nil.
- vii) **Suspension from Trading:** The Securities of the Company has not been suspended from trading during the financial year 2019-20.
- viii) **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
- ix) **Share Transfer System:** 58.88% of the equity shares of the Company are in demat form. Transfers of shares are done through the depositories systems. As regards transfer of shares held in physical form the transfer documents can be lodged with our Registrar and Share Transfer Agent named Skyline Financial Services Pvt. Ltd.
- x) **Distribution of shareholding as on 31st March, 2020**

Range No. of Shares	Shareholders Numbers	Shareholders % of Total	Shares Numbers	Shares % of Total
Upto 500	8	3.20	960	0.01
501 to 1000	91	36.40	72800	1.10
1001 to 2000	0	0.00	0	0.00
2001 to 3000	2	0.80	4800	0.07
3001 to 4000	19	7.60	76000	1.14
4001 to 5000	30	12.00	144000	2.17
5001 to 10000	75	30.00	468800	7.06
10001 & Above	25	10.00	5874640	88.45
Total	250	100.00	6642800	100.00

- xi) **Dematerialization of Shares:** The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). As on 31.03.2020, 3911840 Equity Shares were dematerialized with NSDL & CDSL.
- xii) **Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity:** The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on 31st March 2020, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.
- xiii) **Commodity price risk or foreign exchange risk and hedging activities:** The commodity price risk of raw cotton is managed by spreading its purchase across whole of procurement season and the company also manages its foreign exchange risk by appropriate hedging its transactions.
- xiv) **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

xv) **Address for Correspondence:-**

Regd. Office : A-50/1, Wazirpur Industrial Area, Delhi-52.
CIN : L74999DL1983PLC017001
Corporate Office : Kanganwal Road, V.P.O. Jugiana,
G.T. Road, Ludhiana-141120
Telephone : 0161-4692500
Fax : 0161-2510084
Email : gargacrylics@yahoo.com

xvi) **Credit Rating:-**

Following are the details of Credit Rating:-

Facilities	Amount (Rs. Crore)	Tenure	Rating
Fund Based			
Cash Credit	361.30	Long Term	BWR BBB+/Negative
Term Loans	187.98		
WHR Facilities	105.00	Short Term	BWR A2
Non Fund Based			
LG/BG	15.50	Short Term	BWR A2

10. OTHER DISCLOSURES:

a) Materially Significant Related Party Transactions

The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions. All transactions entered into with Related Party during the financial year were in the ordinary course of business and on an arms length basis. Related Party transactions as required by the Indian Accounting Standard Ind AS-24 on "Related Party Disclosures" disclosed in Notes to the Annual Accounts. Members may refer to the notes to accounts for details of Related Party Transactions. However these are not having potential conflict with the interest of the Company at large.

The Company has formulated a Policy on Related Party Transactions and on dealing with Related Party Transactions and the same is available on the website of the Company at www.gargltd.com.

(c) Material Disclosures

There was no instance of non-compliance by the Company on any matter related to Capital markets.

(d) Whistle Blower Policy/ Vigil Mechanism

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. 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. The details of establishment of Vigil Mechanism/Whistler Blower Policy are posted on the website of the Company at www.gargltd.com.

(e) Disclosure of Commodity price risk or foreign exchange risk and hedging activities

The raw cotton is the basic raw material for the cotton yarn. The raw cotton price fluctuates in the market on the basis of its production, export and demand. To minimize the price risk, the company spread its purchase across the whole procurement season & also store cotton equivalent to 5/6 month stock to carry on interrupted production.

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 40% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company

is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

e) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year under review, no funds raised preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

f) Certificate pursuant to the regulation 34 and schedule v (c) (10) (i) of sebi listing regulations read with section 164 of companies act, 2013 regarding qualification/disqualification to act as director has been attached as Enclosure-1.

f) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof

The Board accepted the recommendations of its Committees, wherever made, during the financial year 2019-20.

g) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

The Company has appointed M/s. Malhotra Manik & Associates, Chartered Accountants (Firm Registration No. 015848N) as the Statutory Auditor. The particulars of payment to Statutory Auditor by the Company during the financial year 2019-2020 are as below:-

Particulars	Amount
Statutory Audit Fees	Rs.400000/-

h) Disclosure in Relation to the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013

During the year under review no such complaint or grievance occurred under the Act named The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

11. COMPLIANCE ON CORPORATE GOVERNANCE

All the mandatory requirements have been complied with as stated in this report on Corporate Governance. There is no non-compliance with any requirement of corporate governance report of sub-paras (2) to (10) of the Corporate Governance report as given in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. DETAILS OF COMPLIANCE WITH DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 READ WITH SCHEDULE II PART E OF THE LISTING REGULATIONS

The status of adoption of the Discretionary Requirements as specified in Sub – Regulation 1 of Regulation 27 of the SEBI Listing Regulations, 2015 are as follow :-

a) The Board: The Chairman of the Company is Executive.

b) Shareholder Rights: The quarterly and half-yearly financial performance are published in newspapers, and also posted on the Company's website, hence the same are not being sent to the shareholders.

c) Modified opinion(s) in audit report: The Company's financial statement for the year ended on 31.03.2020 does not contain any modified opinion.

d) Reporting of Internal Auditor: The Internal Auditor of the Company has direct access to the Audit Committee.

13. COMPLIANCE WITH THE MANDATORY CORPORATE GOVERNANCE REQUIREMENTS AS PRESCRIBED UNDER THE LISTING REGULATIONS, 2015

The Board of Directors periodically reviews the compliance of all applicable laws. The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015.

14. CEO/CFO CERTIFICATION

The members of the board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31, 2020. The annual report of the Company contains a declaration by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations of Directors and Senior Management.

A prescribed certificate as stipulated in Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 duly signed by the Managing Director and Chief Financial Officer, forms part of the Annual Report

15. AUDITOR CERTIFICATE ON COMPLIANCE ON CORPORATE GOVERNANCE

The Auditor Certificate in Compliance on conditions of Corporate Governance requirements as per the Listing Regulations forms part of this Annual Report.

16. EQUITY SHARES IN SUSPENSE ACCOUNT

There are no shares in Suspense account.

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

**Place: Ludhiana
Dated: 31.08.2020**

**Sanjiv Garg, Managing Director
DIN: 00217156**

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

As required under Schedule V (D) of the Listing Regulations, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the Board of Directors and the Senior Management for the year ended 31st March, 2020.

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

**Place: Ludhiana
Dated: 31.08.2020**

**Sanjiv Garg, Managing Director
DIN: 00217156**

Certification by Chief Executive Officer and Chief Financial Officer (Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

To,
The Board of Directors,
Garg Acrylics Limited.

We, Mr. Rajiv Garg, Managing Director and Mr. Ramandeep Singh, Chief Financial Officer of Garg Acrylics Limited hereby certify that:

- (a) We have reviewed the Standalone and consolidated financial statements and the Cash Flow Statement of the company for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31st March, 2020 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Internal Control Systems of the listed Company pertaining to financial reporting and we have disclosed, to the Auditors and the Audit committee, wherever applicable, deficiencies in design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and to the Audit Committee, wherever applicable,
 - i) Significant changes in internal control over financial reporting during the year under reference;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
- (e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

For Garg Acrylics Limited

Place: Ludhiana
Date: 31.08.2020

Rajiv Garg Ramandeep Singh
(Managing Director) (Chief Financial Officer)

Enclosure-1

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Garg Acrylics Limited
A-50/1 Wazirpur Industrial Area,
Delhi 110052

I, Rajesh Kumar Loomba, Prop. M/S R.K. Loomba & Associates, Company Secretaries, have examined the relevant registers, records, forms, returns and disclosures received from the directors of Garg Acrylics Limited having CIN L74999DL1983PLC017001 and having registered office at A-50/1 Wazirpur Industrial Area, Delhi for the purpose of issuing the Certificate, in accordance with Regulation 34(3) read with Sub-clause 10 (i) of Para-C of Schedule V the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of the information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, I hereby certify that none of the directors on the Board of the Company as stated below for the financial year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Sr. No.	Name of Director	DIN No.	Date of Appointment
1	Mr. Sanjiv Garg	00217156	01.08.2010
2	Mr. Rajiv Garg	00444558	28.09.1994
3	Mr. Ujjwal Garg	01234439	01.04.2006
4	Mr. Pardeep Kumar Makkar	01259777	28.09.1997
5	Mr. Vijay Singhanian	01234503	01.04.2006
6	Mr. Arun Sharma	00839359	15.03.2013
7	Mrs. Ritu	07141537	31.03.2015

Ensuring the eligibility for the appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based these matter based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 29.08.2020
Place: Ludhiana

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

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

To
The Members of
Garg Acrylics Limited

I have examined the compliance of conditions of Corporate Governance by Garg Acrylics Limited for the year ended 31st March, 2020, as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

I state that the compliance of conditions of Corporate Governance is the responsibility of the management, and my 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 my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of Listing Regulations.

I 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 MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Reg. No. 015848N)

PLACE: Ludhiana
DATED: 31.08.2020

Sd/-
(CA. MANIK MALHOTRA)
PARTNER
M. No.094604

INDEPENDENT AUDITORS' REPORT

To the Members of GARG ACRYLICS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of GARG ACRYLICS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and the statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, total comprehensive loss (Net loss and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 45 to the standalone financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<u>Going concern assumption, financing and covenants</u>	
The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.	We have used our own internal experts in evaluating the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead. For notes on the Financial Risk Management & Capital Management see note no. 43 & 44 of financial statements respectively.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, which is expected to be made available to us after the date of auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read that report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - 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 seperate report in "Annexure-B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) the Company does not have any pending litigations which would impact its financial position.
- ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Place: Ludhiana
Dated: 27-07-2020

MANIK MALHOTRA
PARTNER
Membership No. 094604

Annexure-A to Auditors' Report

Garg Acrylics Limited- Financial Year ended 31-03-2020

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, GST, customs 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 31.03.2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sale tax, value added tax, service tax, goods & services tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the Statute	Nature of Dues	Amount*	Period	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	Rs.35.03 Lacs	A.Y 2011-12	CIT (Appeals)
		Rs.19.37 Lacs	A.Y 2012-13	ITAT
		Rs.1.14 Lacs	A.Y 2013-14	ITAT
		Rs.1.11 Lacs	A.Y 2014-15	ITAT
		Rs.19.66 Lacs	A.Y 2015-16	ITAT

* Amounts disclosed are net of payment made

- (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, 2013.
- (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 MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Place: Ludhiana
Dated: 27-07-2020

MANIK MALHOTRA
PARTNER
Membership No. 094604

Annexure-B to Auditors' Report

Garg Acrylics Limited- Financial Year ended 31-03-2020

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, 2020 in conjunction with our audit of the standalone 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 maintance 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 Section143(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 whether 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 maintance 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 neccesary 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 acquision, 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, 2020, 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 MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Place: Ludhiana
Dated: 27-07-2020

MANIK MALHOTRA
PARTNER
Membership No. 094604

GARG ACRYLICS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note	As at	
		31st March 2020	31st March 2019
	No.	(Rs. P.)	(Rs. P.)
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3(a)	3590732506.82	4164682653.20
(b) Capital work-in-progress		1050000.00	16211168.14
(c) Other Intangible Assets	3(b)	725412.24	837852.13
(d) Financial Assets			
- Investments	4	395335.40	389480.00
- Other financial assets	5	9223246.00	22660382.00
(e) Other non-current Assets	6	127883256.00	127731375.00
Total Non-current assets		3730009756.46	4332512910.47
2. Current assets			
(a) Inventories	7	3275765655.00	3332996212.00
(b) Financial Assets			
- Investments	8	8368666.75	9075048.90
- Trade receivables	9	1930650851.46	2015075052.95
- Cash and cash equivalents	10	21752586.74	12152195.61
- Bank Balance other than above	10A	32811825.00	37087086.00
- Loans	11	49730119.00	50916395.00
- Other financial assets	12	281909262.41	209886918.60
(c) Other current assets	13	477667158.61	583603842.66
Total Current assets		6078656124.97	6250792751.72
Total Assets		9808665881.43	10583305662.19
Equity and Liabilities			
Equity			
(a) Equity Share capital	14	66428000.00	66428000.00
(b) Other Equity	15	2481933224.50	2643520403.82
Total Equity		2548361224.50	2709948403.82
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
- Borrowings	16	1622302587.91	2071513913.10
(b) Provisions	17	36915316.00	28673641.00
(c) Deferred tax liabilities (Net)	18	94183361.81	173948506.54
(d) Other non-current liabilities	19	1658568.25	2984649.42
Total Non-current liabilities		1755059833.97	2277120710.06
2. Current liabilities			
(a) Financial Liabilities			
- Borrowings	20	3997157159.22	3599813330.24
- Trade payables	21	875598548.83	1034943789.89
- Other financial liabilities	22	507533201.73	700418034.99
(b) Other current liabilities	23	106035987.77	193628703.89
(c) Provisions	24	18919925.40	67432689.30
Total Current liabilities		5505244822.95	5596236548.31
Total Equity and Liabilities		9808665881.43	10583305662.19

The accompanying notes are integral part
of these financial statements

1 to 48

Subject to our separate Report of even date

For and on behalf of the Board of Directors

FOR MALHOTRA MANIK & ASSOCIATES
Chartered Accountants

C.A. MANIK MALHOTRA
PARTNER

Rajiv Garg
Mg. Director

Ujjwal Garg
Wholetime Director

Place : Ludhiana
Dated : 27-07-2020

Ramandeep Singh
Chief Financial Officer

Ridhima Sood
Company Secretary

GARG ACRYLICS LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No.	For the year ended		For the year ended	
		31st March 2020		31st March 2019	
		(Rs.)	P.)	(Rs.)	P.)
I. Revenue from operations	25	13950329471.07		18449874069.18	
II. Other income	26	27938164.58		39365135.56	
III. Total Income (I+II)		13978267635.65		18489239204.74	
IV. Expenses :					
Cost of materials consumed	27	7755519139.42		9003277983.60	
Purchases of stock-in-trade	28	2009947842.92		4973685442.57	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	97350394.00		-142031022.00	
Employee benefits expense	30	758292809.00		723378153.50	
Finance costs	31	585493409.51		599467422.28	
Depreciation and amortization expense	3(a),3(b)	717005589.26		734208641.81	
Other expenses	32	2275609840.49		2368180395.69	
Total Expenses		14199219024.60		18260167017.45	
V. Profit (Loss) before tax (III-IV)		(220951388.95)		229072187.29	
VI. Tax expense:					
(1) Current tax		9827264.00		88693520.00	
(2) Deferred tax		80726855.73		15768888.74	
(3) Prior Year Tax Provisions		13454425.10		1636516.25	
VII. Profit (Loss) for the year (V-VI)		(163506222.32)		154511039.78	
VIII. Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans		2880754.00		9461721.00	
(ii) Income tax relating to items that will not be reclassified to profit or loss		-961711.00		-3306303.79	
B (i) Items that will be reclassified to profit or loss		0.00		0.00	
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00		0.00	
IX. Total Comprehensive Income (Loss) for the year (VII+VIII)		(161587179.32)		160666456.99	
Earnings per equity share	37				
Basic - Par value of Rs.10 per share		(24.61)		23.26	
Diluted - Par value of Rs.10 per share		(24.61)		23.26	

The accompanying notes are integral part of these financial statements

1 to 48

Subject to our separate Report of even date

For and on behalf of the Board of Directors

FOR MALHOTRA MANIK & ASSOCIATES

Chartered Accountants

Rajiv Garg
Mg. Director

Ujjwal Garg
Wholetime Director

C.A. MANIK MALHOTRA
PARTNER

Place : Ludhiana
Dated : 27-07-2020

Ramandeep Singh
Chief Financial Officer

Ridhima Sood
Company Secretary

GARG ACRYLICS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	For the year ended 31st March 2020	For the year ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Exceptional items and tax	(220951388.95)	229072187.29
Adjustments for :		
Depreciation and amortisation	717005589.26	734208641.81
Interest expense	555518528.62	569534092.36
Fair Valuation (Gain)Loss on Investment	(5855.40)	(3689.20)
Deferred Revenue on Capital Subsidy	-438083.76	-438083.44
Deferred Revenue on Export Promotion Capital Goods	-2283616.00	-16545681.00
Deferred Revenue on Interest Free Loans	-848687.32	-848687.32
Provision for Doubtful Debt (Written Back)	13530561.00	(602503.00)
Interest income	-23191056.60	-18905068.00
(Profit)/Loss on sale of Assets(Net)	(918647.65)	(606701.55)
Gratuity Provision	11865225.00	3330882.00
Gratuity-Other Comprehensive income	2880754.00	9461721.00
Operating Profit before working capital changes	1052163322.20	1507657110.95
Adjustments for Changes in Working capital:		
(Increase)/Decrease in Trade and other Receivables	119279511.73	(230431308.97)
(Increase)/Decrease in Inventories	57230557.00	54150205.00
Increase/(Decrease) in Trade Payables and other Liabilities	(491715717.43)	197431267.27
Cash generated from Operations	736957673.50	1528807274.25
Net income tax paid	-23281689.10	-90330036.25
Net cash flow from/ (used in) operating activities	713675984.40	1438477238.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-147634461.30	-629908514.80
Proceeds from sale of Fixed Assets	22772193.11	3764025.00
Purchase of Investments	706382.15	-1311079.25
Interest income	23191056.60	18905068.00
Net Cash used in investing activities	-100964829.44	-608550501.05
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) from Long Term Borrowings (Net)	(460588616.05)	(358886664.93)
Proceeds/ (Repayment) from Short Term Borrowings (Net)	397343828.98	64087393.75
Interest Paid	-544141237.76	-558355729.81
Net Cash flow from/(used in) Financing Activities	(607386024.83)	(853155000.99)
Net Increase in cash and cash equivalents	5325130.13	-23228264.04
Cash and cash equivalents at the beginning of the year	49239281.61	72467545.65
Cash and cash equivalents at the end of the year	54564411.74	49239281.61

The accompanying notes are integral part of these financial statement 1 to 48

FOR MALHOTRA MANIK & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

C.A. MANIK MALHOTRA
PARTNER

Place : Ludhiana
Dated : 27-07-2020

Rajiv Garg
Mg.Director

Ramandeep Singh
Chief Financial Officer

Ujjwal Garg
Wholetime Director

Ridhima Sood
Company Secretary

GARG ACRYLICS LIMITED

Statement of Changes in Equity

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Equity Share Capital				
Balance at the beginning of reporting period	6642800	66428000.00	6642800	66428000.00
Changes in equity share capital	0	0.00	0	0.00
Balance at the closing of reporting period	6642800	66428000.00	6642800	66428000.00

Other Equity

Particulars	Reserves & Surplus						Equity Component of compound financial instrument	Other items of other comprehensive income		Total	
	Securities Premium Reserve		General Reserve		Retained Earnings			(Rs.	P.)	(Rs.	P.)
	(Rs.	P.)	(Rs.	P.)	(Rs.	P.)					
Balance as at 01 April 2019	763657000.00		757512144.00		998956658.92		107452443.02		15942157.87		2643520403.82
Changes in equity for the year ended 31 March 2020											
Profit for the year					-163506222.32						-163506222.32
Transfer from Retained Earnings				0.00							0.00
Total comprehensive income for the year					-163506222.32				1919043.00		-161587179.32
Transfer to General Reserve					0.00						0.00
Balance as at 31 March 2020	763657000.00		757512144.00		835450436.60		107452443.02		17861200.87		2481933224.49
Balance as at 01 April 2018	763657000.00		657512144.00		944445619.14		107452443.02		9786740.66		2482853946.82
Changes in equity for the year ended 31 March 2019											
Profit for the year					154511039.78						154511039.78
Transfer from Retained Earnings			100000000.00								100000000.00
Total comprehensive income for the year					154511039.78				6155417.21		160666456.99
Transfer to General Reserve					-100000000.00						-100000000.00
Balance as at 31 March 2019	763657000.00		757512144.00		998956658.92		107452443.02		15942157.87		2643520403.82

NOTES

forming part of Financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

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. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

(c) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is and net of returns, trade discounts, goods & service tax and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Services

Revenue from the sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Export Incentives

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

(iv) Interest

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(v) Dividend

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

(vi) 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.

(d) Goods & Service Tax (G.S.T)

G.S.T. in respect of goods manufactured by the company is accounted for at the time of removal of goods from factory for sale.

(e) Employees Benefits

(i) Short term Employee Benefits :

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

(ii) Post Employment Benefits

(a) Defined Contribution Plans:

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(b) Defined Benefit Plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

(f) Property, Plant and Equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS and hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

- (a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use.

Depreciation is provided on straight line method on the basis of useful lives of such assets specified in Schedule II to 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(g) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

(h) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of Raw Materials and Stores & Spares at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of Work in Progress & Finished Goods at weighted average material cost plus conversion costs depending upon the stage of completion.

In case of Waste at Net Realizable Value.

In case of Goods in transit at cost plus expenses incurred up to their present condition and location.

(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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(j) Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(k) Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and 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) Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(m) Foreign Currency Transactions

(i) Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

(ii) Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

(n) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

- (iv) Investments**
The Company has adopted to measure investments in Equity Shares at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.
- (v) Financial liabilities**
The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.
- b. Derivative financial instruments**
The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.
Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.
Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.
- c. Share capital**
- (i) Ordinary Shares**
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.
- (ii) Derecognition of financial instruments**
A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.
- (iii) Fair value measurement of financial instruments**
The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.
In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.
- (p) Impairment of assets**
- a. Financial assets**
The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.
Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.
- b. Non-financial assets**
Intangible assets and property, plant and equipment
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.
- (q) Cash and cash equivalents**
The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.
- (r) Cash flow statement**
The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.
- (s) Provisions**
A provision shall be recognised when:
(a) an entity has a present obligation as a result of a past event;
(b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
(c) a reliable estimate can be made of the amount of the obligation.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3(a) Property, Plant and Equipment

	Original Cost										Depreciation and Amortization										Net Block			
Particulars	Balance as at 1st April, 2019		Additions		Disposals		Other adjustments		Balance as at 31st March, 2020		Balance as at 1st April, 2019		Depreciation/ amortisation expense for the year		Eliminated on disposal of assets		Other adjustments		Balance as at 31st March, 2020		Balance as at 31st March, 2020		Balance as at 31st March,2019	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Tangible Assets:																								
Free-hold Land	225543075.500		20784700.000		7955486.000		0.000		238372289.500		0.000		0.000		0.000		0.000		0.000		238372289.500		225543075.500	
Buildings	1877631178.580		35015514.770		0.000		0.000		1912646693.350		452434845.120		57029522.000		0.000		0.000		509464367.120		1403182326.230		1425196333.460	
Plant and Equipment	7961138081.020		101871580.120		18919786.300		2219670.000		8046309544.840		5498510952.340		650425785.260		6056593.190		0.000		6142880144.410		1903429400.430		2462627128.680	
Vehicles	69170735.260		4021990.000		5345131.000		0.000		67847594.260		30621664.130		6748027.990		4310264.650		0.000		33059427.470		34788166.790		38549071.130	
Office equipment	22415899.150		840149.550		0.000		0.000		23256048.700		19516579.810		958772.010		0.000		0.000		20475351.820		2780696.880		2899319.340	
Furniture and Fixtures	20952198.360		42944.000		0.000		0.000		20995142.360		11084473.270		1731042.110		0.000		0.000		12815515.380		8179626.980		9867725.090	
Total	10176851167.87		162576878.44		32220403.30		2219670.00		10309427313.01		6012168514.67		716893149.37		10366857.84		0.00		6718694806.20		3590732506.82		4164682653.20	

	Original Cost										Depreciation and Amortization										Net Block			
Particulars	Balance as at 1st April, 2018		Additions		Disposals		Other adjustments		Balance as at 31st March, 2019		Balance as at 1st April, 2018		Depreciation/ amortisation expense for the year		Eliminated on disposal of assets		Other adjustments		Balance as at 31st March, 2019		Balance as at 31st March, 2019		Balance as at 31st March, 2018	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Tangible Assets:																								
Free-hold Land	225543075.50		0.00		0.00		0.00		225543075.50		0.00		0.00		0.00		0.00		0.00		225543075.50		225543075.50	
Buildings	1764137063.67		113494114.91		0.00		0.00		1877631178.58		397403150.16		55031694.96		0.00		0.00		452434845.12		1425196333.46		1366733913.51	
Plant and Equipment	7351300432.02		606136069.00		13066797.00		16768377.00		7961138081.02		4839405611.41		669645372.89		10540031.96		0.00		5498510952.34		2462627128.68		2511894820.61	
Vehicles	70284890.26		7667445.00		8781600.00		0.00		69170735.26		32262026.31		6510679.41		8151041.59		0.00		30621664.13		38549071.13		38022863.95	
Office equipment	21869374.28		546524.87		0.00		0.00		22415899.15		18323484.86		1193094.95		0.00		0.00		19516579.81		2899319.34		3545889.42	
Furniture and Fixtures	19417014.92		1535183.44		0.00		0.00		20952198.36		9369113.56		1715359.71		0.00		0.00		11084473.27		9867725.09		10047901.36	
Total	9452551850.65		729379337.22		21848397.00		16768377.00		10176851167.87		5296763386.31		734096201.92		18691073.55		0.00		6012168514.67		4164682653.20		4155788464.34	

3(b) Other Intangible Assets

Particulars	Original Cost										Depreciation and Amortization										Net Block			
	Balance as at 1st April, 2019		Additions		Disposals		Other adjustments		Balance as at 31st March, 2020		Balance as at 1st April, 2019		Depreciation/ Amortisation expense for the year		Eliminated on disposal of assets		Other adjustments		Balance as at 31st March, 2020		Balance as at 31st March, 2020		Balance as at 31st March, 2019	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Other Intangible Assets:																								
Computer Softwares	1186700.00		0.00		0.00		0.00		1186700.00		348847.87		112439.89		0.00		0.00		461287.76		725412.24		837852.13	
Total	1186700.00		0.00		0.00				1186700.00		348847.87		112439.89		0.00		0.00		461287.76		725412.24		837852.13	

Particulars	Original Cost										Depreciation and Amortization										Net Block			
	Balance as at 1st April, 2018		Additions		Disposals		Other adjustments		Balance as at 31st March, 2019		Balance as at 1st April, 2018		Depreciation/ Amortisation expense for the year		Eliminated on disposal of assets		Other adjustments		Balance as at 31st March, 2019		Balance as at 31st March, 2019		Balance as at 31st March, 2018	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Other Intangible Assets:																								
Computer Softwares	1186700.00		0.00		0.00		0.00		1186700.00		236407.98		112439.89		0.00		0.00		348847.87		837852.13		950292.02	
Total	1186700.00		0.00		0.00		0.00		1186700.00		236407.98		112439.89		0.00		0.00		348847.87		837852.13		950292.02	

Intangible Assets are not internally generated.

4 Investments (Non Current)

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
<u>Financial Assets at FVTPL</u>				
(i) Investment In Equity Instruments (Unquoted)				
15,000 Equity Shares of Rs. 10/- each fully paid up of Garg Fincap Limited	393150.00		383355.00	
(ii) Investment in Equity Instruments (Quoted)	2185.40		6125.00	
196 Equity Shares of Rs. 10/- each fully paid up of Punjab & Sind Bank				
Total	395335.40		389480.00	

5 Other Financial Assets (Non Current)

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
<u>Financial assets at amortized cost</u>				
Fixed Deposits with banks more than twelve months maturity	9200371.00		15700555.00	
Interest Receivable	22875.00		6959827.00	
Total	9223246.00		22660382.00	

6 Other Non Current Assets

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
<u>Non Financial Assets at amortized cost</u>				
<u>(unsecured, considered good)</u>				
Capital advances	0.00		0.00	
Security deposits	127883256.00		127731375.00	
Total	127883256.00		127731375.00	

7 Inventories

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
<u>At cost or net realisable value, whichever is lower</u>				
Raw materials	2296286396.00		2281101959.00	
Work-in-progress	208025134.00		182838957.00	
Finished Goods	690914439.00		798359985.00	
Stock-in-Trade (in respect of goods acquired for trading)	8991376.00		24082401.00	
Stores, Spares & Packing Material	71548310.00		46612910.00	
Total	3275765655.00		3332996212.00	

8 Investments (Current)

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Trade Investments (At Cost)				
In Capital of Partnership Firm				
Garg International	8368666.75		9075048.90	

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	0.95
Sh. Navneet Sharma	0.05

The Total capital of the said firm is Rs. 8610890.39 as on 31.03.2020.
(Rs. 9504450.55 as on 31-03-2019)

9 Trade receivables

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	P.)	(Rs.)	P.)
Receivable from related parties				
- Unsecured, considered good	17350740.78		21381031.04	
Receivable from others				
- Unsecured, considered good	1913300110.68		1993694021.91	
- Doubtful	17290942.00		3760381.00	
Less: Provisions for doubtful trade receivables	17290942.00		3760381.00	
Total	1930650851.46		2015075052.95	
			2021741891.21	
			6666838.26	

10 Cash and cash equivalents

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	P.)	(Rs.)	P.)
a) Balances with banks				
- In current accounts	4925427.09		1527476.23	
b) Cash on hand	16827159.65		10624719.38	
Total	21752586.74		12152195.61	

10A Bank Balances other than Cash and cash equivalents

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	P.)	(Rs.)	P.)
a) Other bank balances				
- Deposits with more than twelve months maturity	9200371.00		15700555.00	
- Deposits with more than three months but less than twelve months maturity	32811825.00		37087086.00	
Sub-Total	42012196.00		52787641.00	
Less: Amounts disclosed as other financial non current assets (refer note 5)	9200371.00		15700555.00	
Total	32811825.00		37087086.00	

11 Loans (Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	P.)	(Rs.)	P.)
<u>Financial assets at amortized cost</u>				
Others				
Loan to employees	49730119.00		50916395.00	
Total	49730119.00		50916395.00	

12 Other financial assets (Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	P.)	(Rs.)	P.)
<u>Financial assets at amortized cost</u>				
Interest receivables-FDR	8172688.60		2788896.60	
Interest receivables-Others	7681460.00		5897687.00	
Claims receivables	177726034.81		144430188.00	
Other Recoverable	88329079.00		56770147.00	
Total	281909262.41		209886918.60	

13 Other Current Assets

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	P.)	(Rs.)	P.)
(unsecured considered good, unless otherwise stated)				
Advances to suppliers	82376808.83		336426620.22	
Balance with government authorities	284832191.78		242523344.44	
Prepaid expenses	8108431.00		4571441.00	
Other Recoverables	102349727.00		82437.00	
Total	477667158.61		583603842.66	

14 SHARE CAPITAL

Particulars	As at 31st March 2020			As at 31st March 2019		
	Number	(Rs.)	P.)	Number	(Rs.)	P.)
Authorised						
Equity shares of Rs. 10/- each (par value)	6900000	69000000.00		6900000	69000000.00	
6% Non-Cumulative Redeemable Preference Shares of 10/- each	24300000	243000000.00		24300000	243000000.00	
Total	31200000	312000000.00		31200000	312000000.00	

Issued, subscribed and fully paid-up

i) Equity shares of Rs. 10/- each	6642800	66428000.00	6642800	66428000.00
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(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March 2020			As at 31st March 2019		
	Number	(Rs.)	P.)	Number	(Rs.)	P.)
Equity shares						
At the beginning of the reporting period	6642800	66428000.00		6642800	66428000.00	
Add: Bonus shares Issued during the reporting period	0	0.00		0	0.00	
Outstanding at the end of the reporting period	6642800	66428000.00		6642800	66428000.00	

(b) Rights, preferences and restrictions attached to equity shares

The company's equity shares are having par value of Re.10/- per share. Each holder of equity share is entitled to one vote per share. The dividend distribution (if any) will be in proportion to the number of equity shares held by the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	% shareholding	Number	% shareholding
Equity shares				
Shubham Yarns Private Limited	1,497,520	22.54	1497520	22.54
GAL Cottex Private Limited	1,063,920	16.02	1063920	16.02
Himachal Yarns Limited	478,720	7.21	478720	7.21
Ashwani Aggarwal	360,000	5.42	360000	5.42
Sumit Aggarwal	360,000	5.42	360000	5.42

(d) Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding /ultimate holding company of this Company.

(e) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and share bought back for the period of five years immediately preceding the reporting date.

5812450 Equity Shares allotted as fully paid up by way of bonus shares during year ended 31st March, 2018.

	As at 31st March 2020			As at 31st March 2019		
(ii) 6% Non-Cumulative Redeemable Preference shares of Rs. 10/- each.	Number	(Rs.	P.)	Number	(Rs.	P.)
	20000000	200000000.00		20000000	200000000.00	

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

At the beginning of the year	20000000	200000000.00	20000000	200000000.00
Add: Shares Issued/Redeemed during the year		0.00	0	0.00
Outstanding at the end of the year	20000000	200000000.00	20000000	200000000.00

Under Indian GAAP, Non Cumulative preference shares were recorded at their transaction value. Under Ind AS, these Preference shares are to be measured as compound financial instruments on the basis of effective interest rate method. Due to this, preference shares has been divided into debt portion and equity component as under:-

	As at 31st March 2020		As at 31st March 2019	
Equity Component- Note No. 15 Other Equity	107452443.02		107452443.02	
Debt Component - Note No. 16 Borrowings	99893563.39		91645470.99	
Deferred Tax recognised	56868029.00		56868029.00	
Interest on debt portion recognised	-64214035.41		-55965943.01	
Total	200000000.00		200000000.00	

(b) Rights, Preference and restriction attached to Preference Shares

The company's Preference share are having par value of Rs. 10/- per share. The shares carry a right to preferential dividend @ 6% p.a. in relation to the paid up capital on them. The holders of said shares have a right to attend General Meeting of the Company and vote on resolution affecting their interest. In a winding up, the holder of the said shares shall be entitled to a preferential right of return of the amount paid up on the shares but shall not have any further right or claim over the surplus assets of the company.

(c) Preference shares are redeemable at par as detailed hereunder

	As at 31st March 2020		As at 31st March 2019	
	Number	Equity Component Rs. P.	Number	Equity Component Rs. P.
31/03/2024	700000	3760128.64	700000	3760128.64
31/03/2025	3000000	16117214.18	3000000	16117214.18
31/03/2027	7000000	37606833.08	7000000	37606833.08
31/03/2028	3000000	16120663.21	3000000	16120663.21
31/03/2029	2000000	10745959.70	2000000	10745959.70
28/03/2034	4300000	23101644.22	4300000	23101644.22
	20000000	107452443.02	20000000	107452443.02

(d) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	% shareholding	Number	% shareholding
Shubham Yarns Private Limited	5400000	27.00	5400000	27.00
GAL Cottex Private Limited	2500000	12.50	2500000	12.50
Himachal Yarns Limited	6030000	30.15	6030000	30.15
Garg Fincap Limited	4370000	21.85	4370000	21.85
Pushpa Yarns Private Limited	1700000	8.50	1700000	8.50

(e) Terms of securities convertible into equity/preference shares - N.A.

15 Other Equity

Particulars	Reserves & Surplus						Equity		Other items		Total	
	Securities Premium Reserve		General Reserve		Retained Earnings		Component of compound financial instrument		of other comprehensive income			
	(Rs.)	(P.)	(Rs.)	(P.)	(Rs.)	(P.)	(Rs.)	(P.)	(Rs.)	(P.)	(Rs.)	(P.)
Balance as at 01 April 2019	763657000.00		757512144.00		998956658.92		107452443.02		15942157.88		2643520403.82	
Changes in equity for the year ended 31 March 2019												
Profit for the year					-163506222.32						-163506222.32	
Amount Transferred from Retained Earnings			0.00								0.00	
Total comprehensive income for the year					-163506222.32				1919043.00		-161587179.32	
Transfer to General Reserve					0.00						0.00	
Balance as at 31 March 2020	763657000.00		757512144.00		835450436.60		107452443.02		17861200.88		2481933224.50	
Balance as at 01 April 2018	763657000.00		657512144.00		944445619.14		107452443.02		9786740.66		2482853946.82	
Changes in equity for the year ended 31 March 2018												
Profit for the year					154511039.78						154511039.7800	
Amount Transferred from Retained Earnings			100000000.00								100000000.00	
Total comprehensive income for the year					154511039.78				6155417.21		160666456.99	
Transfer to General Reserve					-100000000.00						-100000000.00	
Balance as at 31 March 2019	763657000.00		757512144.00		998956658.92		107452443.02		15942157.88		2643520403.82	

16 Borrowings (Non Current)

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	(P.)	(Rs.)	(P.)
Secured				
Term loans				
From banks (Net of unamortized processing charges)	1863452945.58		2425180337.75	
Less: Current maturities (refer note-22)	472369352.12		667066593.69	
Preference Shares	99893563.39		91645470.99	
Sub Total	1490977156.85		1849759215.05	
Unsecured				
Vehicles Loans from Banks	12335093.37		17525132.57	
Vehicles Loans from Companies	0.00		236761.00	
Other Loans from Companies	126460313.06		210899369.78	
Less: Current maturities of Vehicle Loans (from Banks)	7469975.37		6669804.30	
Less: Current maturities of Vehicle Loans (from Companies)	0.00		236761.00	
Sub Total	131325431.06		221754698.05	
Total	1622302587.91		2071513913.10	

Details of security for term loans

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.

Term Loans from Banks are repayable in quarterly installments.

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

Year Ended	Repayment
31/03/2022	572865349.02
31/03/2023	321560164.15
31/03/2024	156522055.84
31/03/2025	161850517.66
31/03/2026	80431103.19
31/03/2027	55967773.93
31/03/2028	41886629.67

The year wise repayment of debt component of 6% Non cumulative Redeemable Preference shares are as under:-

Due date of Redemption	Amount (Rs.)
31/03/2024	4962344.16
31/03/2025	19497941.59
31/03/2027	38292397.14
31/03/2028	15055988.39
31/03/2029	9208555.59
28/03/2034	12876336.52

Yearwise Repayment of Vehicle Loans due are as under:-

Year Ended	To Banks	To Companies
31/03/2022	4298699.50	0.00
31/03/2023	520827.61	0.00
31/03/2024	45590.89	0.00

Yearwise Repayment of other loans	Year Ended	Amount(Rs)
	31/03/2022	76460313.06
	31/03/2023	35000000.00
	31/03/2024	15000000.00

17 Provisions (Non Current)

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
Provision for employee benefits : - Provision for Gratuity	36915316.00	28673641.00
Total	36915316.00	28673641.00

18 Deferred tax liabilities (net)

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
Deferred tax liabilities		
Gross deferred tax liability (A) [Refer note 40(a)]	118105217.65	192012601.50
Deferred tax assets		
Gross deferred tax asset (B) [Refer note 40(a)]	23921855.84	18064094.96
Deferred tax liability (Net) (A-B)	94183361.81	173948506.54

19 Other non-current liabilities

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
<u>Non Financial liabilities at amortized cost</u>		
Deferred Revenue Capital subsidy	809881.01	1287274.86
Deferred Revenue Interest Free Loans	848687.25	1697374.57
Total	1658568.25	2984649.42

20 Borrowings (Current)

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
Working capital loans		
- From banks (secured)	3997157159.22	3599813330.24
Total	3997157159.22	3599813330.24

Details of security for working capital borrowings

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.

21 Trade payables

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Trade payables				
Due to others (refer note 38)	875518265.83		1030603789.89	
Due to related parties (Refer Note 39)	80283.00		4340000.00	
Total	875598548.83		1034943789.89	

22 Other financial liabilities (Current)

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
<u>Financial liabilities at amortized cost</u>				
Current maturities of non current debt	479839327.49		673973158.99	
Interest accrued but not due on borrowings	27693874.24		26444876.00	
Total	507533201.73		700418034.99	

23 Other current liabilities

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Statutory remittances**	9650328.14		13140268.77	
Deferred Revenue on Capital subsidy	477393.85		438083.76	
Deferred Revenue on EPCG	0.00		282697.00	
Deferred Revenue on Interest Free Loans	848687.29		848687.29	
Advances from customers	12383088.22		31853407.40	
Expense payable	82676490.26		147065559.66	
Total	106035987.77		193628703.89	

** Statutory remittances include contribution to provident fund, ESIC, tax deducted at source, G.S.T. etc.

24 Provisions (Current)

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Provision for Taxation	4403356.40		56539670.30	
Provision for employee benefits :Gratuity (refer note 42)	14516569.00		10893019.00	
Total	18919925.40		67432689.30	

25 Revenue from operations

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Sale of products (Excluding G.S.T)	13790697316.83		18338716632.20	
Other operating revenues - Export benefits	97557638.54		94655043.46	
Gain on foreign currency transactions and translations (Net)	62074515.70		16502393.52	
Total	13950329471.07		18449874069.18	

26 Other income

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Interest Income on banks deposits	3901295.60		5794168.00	
Interest on delayed payments	19289761.00		13110900.00	
Deferred Revenue on Capital Subsidy	438083.76		438083.44	
Deferred Revenue on Interest free loans	848687.32		848687.32	
Deferred Revenue on Export Promotion Capital Goods	2283616.00		16629363.00	
Net gain on disposal of property, plant and equipment	918647.65		606701.55	
Share of Profit from Partnership Firm	65827.25		1311079.25	
Miscellaneous Income	192246.00		626153.00	
Total	27938164.58		39365135.56	

27 Cost of materials consumed

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Inventory at the beginning of the year	2281101959.00		2432739350.00	
Add: Purchases during the year	7770703576.42		8851640592.60	
Less: Inventory at the end of the year	2296286396.00		2281101959.00	
Cost of materials consumed	7755519139.42		9003277983.60	
Broad Category for Raw Material Consumed				
Synthetic Fibre	1517736844.02		1774471491.52	
Cotton Fibre	5807203221.76		6244409663.79	
Fabric, Yarn for Garments	239048439.27		723954110.81	
Others (Semi Finished yarns)	191530634.38		260442717.48	
	7755519139.42		9003277983.60	

28 Purchases of Stock-in-trade:

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Synthetic/Cotton Fibre	805184978.38		1532776133.44	
Synthetic/Cotton Yarn	1028175249.70		3224539387.72	
Synthetic Fabric	72885236.41		147374287.27	
Garments	0.00		9137587.96	
Chemicals/Flex Sheets/PVC Vinyl	103702378.43		59858046.18	
Total	2009947842.92		4973685442.57	

29 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Inventories at the beginning of the year				
Work-in-progress	182838957.00		147888221.00	
Finished goods	798359985.00		712987100.00	
Stock-in-trade of traded goods	24082401.00		2375000.00	
Sub Total	1005281343.00		863250321.00	
Inventories at the end of the year				
Work-in-progress	208025134.00		182838957.00	
Finished goods	690914439.00		798359985.00	
Stock-in-trade of traded goods	8991376.00		24082401.00	
Sub Total	907930949.00		1005281343.00	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	97350394.00		-142031022.00	

30 Employee benefits expense

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Salaries and wages	707718281.00		674798572.50	
Contribution to provident and other funds	31677044.00		29156391.00	
Conveyance Expenses-Workers	18897484.00		19423190.00	
Total	758292809.00		723378153.50	

31 Finance costs

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Interest expense	544141237.76		558355729.81	
Notional Interest on Preference Shares	8248092.40		7567057.24	
Notional Interest on Unsecured Loans	980943.28		899947.96	
Notional amortisation of Processing Fees	2148255.18		2711357.35	
Interest on Taxes	3216450.00		1198798.00	
Other borrowing costs	26758430.89		28734531.92	
Total	585493409.51		599467422.28	

32 Other expenses

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Power & Fuel	1154239875.00		1188435910.31	
Consumption of Stores and Spares	374073473.29		503250789.36	
Job Charges	132765777.09		115868545.95	
Repairs to Machinery	189820894.08		130519777.25	
Repairs to Building	9427038.07		8013163.85	
Repair Others	3649876.31		3547575.12	
Insurance	18462648.16		10184369.77	
Vehicle Maintenance	17313042.30		16046079.12	
Travelling & Conveyance Expenses	14240665.51		12704894.86	
Postage Courier & Telephone	2020680.65		2205696.89	
Auditors Remuneration	400000.00		400000.00	
Cost Audit Fee	50000.00		50000.00	
Legal & Professional Charges	22045976.00		10398259.00	
Rates and Taxes	3723631.09		5667119.45	
Listing Fee	55000.00		20000.00	
Printing & Stationery	3344429.88		3514069.52	
Subscription & Periodicals	788802.00		239944.00	
General Expenses	4488053.73		7751486.38	
Corporate Social Responsibility Expenses	383654.00		106916.00	
Deemed (gain) loss on Fair Value of Investment	(5855.40)		(3689.20)	
Charity & Donation	86100.00		187500.00	
Provision for doubtful trade receivables	13530561.00		0.00	
Recruitment Expenses	514479.00		893699.00	
Export Expenses	199805743.88		220369664.19	
Carriage Outward	65891879.41		72213791.50	
Advertisement and Sales Promotion	835521.83		2203950.63	
Brokerage and Commission	43657893.61		53390882.74	
Total	2275609840.49		2368180395.69	

33(a) Financial Instruments by Category

The carrying value and fair value of financial instruments at the end of each reporting period is as follows:

As at 31st March 2020

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)				395,335.40			395,335.40	395,335.40
Other financial non-current assets (Refer Note 5)		9223246.00					9,223,246.00	9223246.00
Investments (Current) (Refer Note 8)	8368666.75						8,368,666.75	8,368,666.75
Trade receivables (Refer Note 9)		1,930,650,851.46					1,930,650,851.46	1,930,650,851.46
Cash and Cash Equivalents (Refer Note 10)		21,752,586.74					21,752,586.74	21,752,586.74
Other Bank Balances (Refer Note 10A)		32811825.00					32,811,825.00	32,811,825.00
Loans (Current) (Refer Note 11)		49,730,119.00					49,730,119.00	49,730,119.00
Other financial assets (Current) (Refer Note 12)		281,909,262.41					281,909,262.41	281,909,262.41
Total	8,368,666.75	2,326,077,890.61	0.00	395,335.40	0.00	0.00	2,334,841,892.76	2,334,841,892.76
Liabilities:								
Borrowings (Non Current) (Refer Note 16)		1,522,409,024.52				99893563.39	1,622,302,587.91	1,622,302,587.91
Borrowings (Current) (Refer Note 20)		3,997,157,159.22					3,997,157,159.22	3,997,157,159.22
Trade Payables (Refer Note 21)		875,598,548.83					875,598,548.83	875,598,548.83
Other financial liabilities (Current) (Refer Note 22)		507,533,201.73					507,533,201.73	507,533,201.73
Total	0	6902697934.30	0	0	0	99893563.39	7002591498	7,002,591,497.69

As at 31st March 2019

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)				389,480.00			389,480.00	389,480.00
Other financial non-current assets (Refer Note 5)		22,660,382.00					22,660,382.00	22660382.00
Investments (Current) (Refer Note 8)	9075048.90						9,075,048.90	9075048.90
Trade receivables (Refer Note 9)		2,015,075,052.95					2,015,075,052.95	2,015,075,052.95
Cash and Cash Equivalents (Refer Note 10)		12,152,195.61					12,152,195.61	12,152,195.61
Other Bank Balances (Refer Note 10A)		37,087,086.00					37,087,086.00	37,087,086.00
Loans (Current) (Refer Note 11)		50,916,395.00					50,916,395.00	50,916,395.00
Other financial assets (Current) (Refer Note 12)		209,886,918.60					209,886,918.60	209,886,918.60
Total	9,075,048.90	2,347,778,030.16	0.00	389,480.00	0.00	0.00	2,357,242,559.06	2,357,242,559.06
Liabilities:								
Borrowings (Non Current) (Refer Note 16)		1,979,868,442.11				91645470.99	2,071,513,913.10	2,071,513,913.10
Borrowings (Current) (Refer Note 20)		3,599,813,330.24					3,599,813,330.24	3,599,813,330.24
Trade Payables (Refer Note 21)		1,034,943,789.89					1,034,943,789.89	1,034,943,789.89
Other financial liabilities (Current) (Refer Note 22)		700,418,034.99					700,418,034.99	700,418,034.99
Total	0	7315043597.23	0	0	0	91645470.99	7406689068.22	7406689068.22

33 (b) Fair Value Measurement**(i) Fair Value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:**As at 31st March 2020**

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through Profit and Loss	395,335.40	2,185.40	393150.00	0.00

As at 31st March 2019

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through Profit and Loss	389,480.00	6,125.00	383355.00	0.00

34 Contingent liabilities (to the extent not provided for):-

Particulars	(Rs. In lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Contingent Liabilities		
(i) Bank Guarantees	40.51 lacs	27.45 lacs
(ii) Letters of Credit	--	357.49 lacs

35 Business segments have been identified based on the nature and class of products and services, assessment of and disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required in the Financial statements.

36 In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

37 Earning Per Share

- (a) The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"
- (i) A statement on calculation of basic & Diluted EPS is as under:

Particulars	31.03.2020	31.03.2019
Net Profit after tax attributable to equity shareholders (A)	-163,506,222.32	154,511,039.78
Weighted average number of equity shares (B)	6642800	6642800
Basic earning per Share (A)/(B)	-24.61	23.26
Diluted earning per Share (A)/(B)	-24.61	23.26
Face value per equity share	10.00	10.00

38 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to Micro & small enterprises.

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	-	-
2	Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting period	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues of Micro, Small and Medium enterprises have been determined on the basis of information collected by the management. This has been relied upon by the auditors.

39 Related Party Disclosure

(a) Disclosure of Related Parties and relationship between the parties.

1	Subsidiaries	Garg International
2	Key Management Personnel (KMP)	Sanjiv Garg - Managing Director Rajiv Garg - Managing Director Ujjwal Garg - Wholtime Director
3	Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control	Pushpa Yarns Private Limited Shubham Yarns Private Limited DPG Textiles Ltd Gal Cotex Private Limited
4	Relatives of KMP	Sambhav Garg

(b) Description of the nature of transactions with the related parties :-

Particulars	Subsidiaries		Key Management Personnel (KMP)		Relative of Key Management Personnel (KMP)		Enterprises over which KMP is able to exercise significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods		0.00	0.00					
Sale of goods		0.00	0.00					
Interest paid								
Interest received								
KMP Remuneration			6958161.00	6325275.00	1500120.00	1320000.00		
Year end balance receivable	15592065.49	17518447.64					0.00	0.00
Year end balance payable(receivable)			0.00	0.00			4067940.96	-2926031.04

40 Income taxes:

(a) The detail of deferred tax liabilities and assets as at the end of each reporting period is as under:

	As at 1st April 2018	Movement during 2018-19	As at 31st March 2019	Movement during 2019-20	As at 31st March 2020
Deferred tax Liability					
Impact of Depreciation	163,865,519.22	-9729910.57	154,135,608.65	-69464858.27	84,670,750.38
Fair valuation Gain on investments	12178.83	1407.40	13,586.23	1348.24	14,934.47
Impact of Compound Financial Instruments	40118142.57	-2254735.95	37,863,406.62	-4443873.82	33,419,532.81
Sub Total (A)	203,995,840.62	-11,983,239.13	192,012,601.50	-73,907,383.84	118,105,217.65
Deferred tax Asset					
Impact of Unamortised Processing Fees	2256734.06	-374751.79	1,881,982.27	-779842.71	1,102,139.56
Government Grants	748724.03	-145814.71	602,909.32	-173165.47	429,743.84
Gratuity	12,540,478.05	1285695.62	13,826,173.67	3343846.82	17,170,020.49
Punjab Labour Welfare Fund	528,906.10	-89903.93	439,002.17	263907.30	702,909.47
Provision for Doubtful Debt	1509906.89	-195879.36	1,314,027.54	3203014.95	4,517,042.48
Sub Total (B)	17,584,749.13	479,345.83	18,064,094.96	5,857,760.88	23,921,855.84
Deferred tax liability (Net) (A-B)	186,411,091.49	-12,462,584.95	173,948,506.54	-79,765,144.73	94,183,361.81

(b) Reconciliation of Deferred tax liabilities (net)

Particulars	Current year	Previous year
Deferred tax liability at the beginning of the year	173,948,506.54	186,411,091.49
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	-80,726,855.73	-15768888.74
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	961711.00	3306303.79
Deferred tax liability at the end of the year	94,183,361.81	173,948,506.54

(c) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate :

Particulars	Current year	Previous year
Accounting profit before tax	-220,951,388.95	229,072,187.29
Tax at statutory income tax rate of 33.384% (Prev. Year 34.944%)	-73,762,412.00	80,046,985.13
Tax effect of the amounts not deductible for computing taxable income		
Depreciation difference	69955050.00	15983840.93
Disallowances	156823.00	102880.73
43B Disallowances	5625707.00	4682226.58
Deductions/Exemption/Non Taxable items	-343029.00	-685,786.83
Fair valuation Gain on investments	-1955.00	-1,289.08
Deferred Revenue	-1191938.00	-15,549,873.52
Notional Interest	3798194.00	3,906,166.82
Interest on Taxes	1073781.00	418,907.97
Provision for Doubtful Debt	4517042.00	-210,538.65
Income tax expense	9,827,263.00	88,693,520.00

41 In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has paid a sum of Rs.383654/- (31.03.2019 Rs.106916/-) towards approved Corporate Social Responsibility (CSR) activities. The said amount stands debited to the "Corporate Social Responsibility" under the head "other expenses".

42 Employee Benefits :

Gratuity plan: The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

The following tables set out the disclosures in respect of the gratuity plan as required under Ind AS 19.

(a) Changes in the present value of the obligations:

Particulars	Current Year	Previous Year
Present value obligation as at beginning of the year	39,566,660.00	36235778.00
Interest cost	2996084.00	2787627.00
Past service cost	0.00	0.00
Current service cost	12038900.00	10070624.00
Benefits Paid	-289005.00	-65648.00
Actuarial (gain)/ loss on Obligations	-2880754.00	-9461721.00
Present value obligation as at end of the year	51,431,885.00	39,566,660.00

(b) Changes in the present value of the obligations:

Particulars	Current Year	Previous Year
Fair value of Plan Assets as at beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Withdrawal	-	-
Fair value of Plan Assets as at end of the year	0.00	0.00

(c) Amount recognized in Balance Sheet:

Particulars	Current Year	Previous Year
Present value obligation as at end of the year	51,431,885.00	39566660.00
Fair value of Plan Assets as at end of the year	0.00	0.00
Funded Status	-51431885.00	-39566660.00
Present value of unfunded obligation as at end of the year	-	0
Unfunded Actuarial (gains)/ losses	-	0
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	0.00	0.00

(d) Actuarial Gain/Loss on Plan Assets

Particulars	Current Year	Previous Year
Expected Interest Income	0.00	0.00
Actual Income on Plan Asset	0.00	0.00
Actuarial gain /(loss) for the year on Asset	0.00	0.00

(e) Expenses Recognized in Profit & Loss:

Particulars	Current Year	Previous Year
Past service cost	0.00	0.00
Current service cost	12038900.00	10070624.00
Interest cost	2996084.00	2787627.00
Expected Interest Income	0.00	0.00
Total Expenses recognised in Profit & Loss Account	15034984.00	12858251.00

(f) OCI Recognized:

Particulars	Current Year	Previous Year
Actuarial gain / (loss) for the year on Projected Benefit Obligation	-2880754.00	-9461721.00
Actuarial gain /(loss) for the year on Asset	0.00	0.00
Unrecognized actuarial gain/(loss) at the end of the year	-2880754.00	-9461721.00

(g) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average):

Particulars	Current Year	Previous Year
Discount Rate (per annum)	6.75%	7.60%
Rate of increase in compensation levels (per annum)	7.60%	7.70%
Expected Average remaining working lives of employees (years)	25.58	25.81
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

(h) The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

Particulars	As at 31.03.2020	As at 31.03.2019
Discount Rate		
1.00% Increase	-376709.00	-1090487.00
1.00% decrease	382733.00	1159018.00
Future Salary increase		
1.00% Increase	1416137.00	1143630.00
1.00% decrease	-1359681.00	-1096410.00
As per Actuarial Certificate, sensitivities due to mortality & withdrawals are not material & hence impact of change has not been calculated.		

(i) The following payments are expected payouts to the defined benefit plan in future years:

Particulars	As at 31.03.2020	As at 31.03.2019
Within 1 year	14988668.00	11283611.00
1-5 years	33096610.00	25691985.00
Beyond 5 years	14935297.00	13658688.00
Total expected payments	63020575.00	50634284.00

43 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) **Foreign currency risk**

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 40% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	As at 31st March 2020	As at 31st March 2019
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) (A)		
-In USD	4810510.33	4164953.15
-In Euro	597639.64	916992.02
-In GBP	0.00	41404.10
Amount hedged through forwards & options (B)		
-In USD	4810510.33	4164953.15
-In Euro	597639.64	916992.02
-In GBP	0.00	41404.10
Net Exposure to Foreign Currency Assets (C=A-B)		
-In USD	0.00	0.00
-In Euro	0.00	0.00

Particulars	As at 31st March 2019	As at 31st March 2019
(b) Exposure on account of Financial Liabilities		
Trade Payables (D)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
Amount Hedged through forwards & options(E)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
Net Exposure to Foreign Currency Liabilities F=(D-E)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
Net Exposure to Foreign Currency Assets/(Liability) (C-F)		
-In USD	0.00	0.00
-In Euro	0.00	0.00

The following significant exchange rates applied during the year:

Particulars	2019-20 (Average exchange rate)	2018-19 (Average exchange rate)	2019-20 (Year end rates)	2018-19 (Year end rates)
INR/USD	72.44	67.31	75.32	69.55
INR/EURO	80.52	79.26	82.98	78.06

Foreign currency sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	As at 31-Mar-20	As at 31-Mar-19
10% Strengthening/weakening of Euro against INR	0.00	0.00

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	As at 31st March 2020	As at 31st March 2019
Variable rate instruments		
Long term borrowings	1395948711.46	1768969072.33
Current maturities of long term debt	479839327.49	673973158.99
Short term borrowings	3997157159.22	3599813330.24

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31st March 2020	As at 31st March 2019
Increase/ decrease in 100 basis point	65,093,651.00	69,396,335.00

(iii) **Investment Risk**

The company does not actively trade equity investments. Equity investments are mainly held for strategic rather than trading purposes.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool.

The company plans to maintain sufficient cash to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Borrowings		
0-1 years	479839327.49	673973158.99
2-3 years	1010705353.34	1,199,793,982.10
4-5 years	333418164.39	500,931,118.97
More than 5 years	178285506.79	279143341.03
Trade Payables		
0-1 years	875,598,548.83	1,034,943,789.89
2-3 years	0.00	0.00
3-5 years	0.00	0.00
More than 5 years	0.00	0.00
Other Financial liabilities		
0-1 years		
2-3 years	27,693,874.24	173,510,435.66
3-5 years	0.00	0.00
More than 5 years	0.00	0.00

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks.

The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss:

Particulars	As at 31-Mar-20	As at 31-Mar-19
(a) Revenue from top five customers		
- Amount of sales	1,272,470,744.00	1,609,410,315.00
- % of Total sales	9.23	8.78
(b) Provision for doubtful debt		
- Balance at the beginning of the period	3760381.00	4362884.00
- Recognized during the year	13530561.00	-602503.00
- Balance at the end of the period	17290942.00	3760381.00

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 9.

Write off policy

The financial assets are written off in case there is no reasonable expectation of recovering from the financial asset.

44 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by Total capital. The Company's gearing ratio was as follows:

Particulars	Financial Year ended 31.03.2020	Financial Year ended 31.03.2019
Borrowings	6099299074.62	6345300402.33
Less: Cash and cash equivalents	54564411.74	49239281.61
Net debt	6044734662.88	6296061120.72
Total equity	2548361224.50	2709948403.82
Gearing ratio (Net Debt to Equity)	2.37	2.32

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2020.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019.

45 Impact of Covid-19 Pandemic

In March 2020, World Health Organization (WHO) has declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. Complying with the directives of Government, all the Spinning plants and offices of the Company has been under lock-down impacting its operations. The Company is monitoring the situation closely and the overall impact on the business of the Company will depend on future development which cannot be reliable predicted.

The Company has made intensive efforts to surpass the Covid challenge through an enhanced hygiene and adherence to the social distancing norms, use of masks and sanitizers etc. The Company is committed to ensure the safety and wellbeing of its employees.

In compliance with the relaxations given by the Ministry of Home Affairs (MHA) and after seeking approval from the concerned State Govt. authorities, wherever required, the Company started limited operation at its manufacturing facilities. With the easing of lockdown norms and opening up of markets, the capacity utilization of all of our manufacturing plants-is gradually increasing over a period of time.

The Company has availed Covid-19 emergencies working capital loans and deferment of interest and installments from consortium bankers to meet temporary liquidity mismatch and maintain day to day operations.

The Company is continuously monitoring the impact on the operations and financials of the company and taking necessary steps in the best interest of its people, customers and communities and is confident that the demand situation will resume to its normalcy gradually.

46 Assets pledged as Security:-

The Carrying amount of assets pledged as security for current and non-current borrowings are :-

	As at 31st March 2020	As at 31st March 2019
Current Assets		
Financial Assets		
Trade receivables	1,930,650,851.46	2,015,075,052.95
Non-Financial Assets		
Inventory	3,275,765,655.00	3,332,996,212.00
Total Current Assets Pledged as Security	5,206,416,506.46	5,348,071,264.95
Non Current Assets		
Property, Plant & Equipment	3,590,732,506.82	4,164,682,653.20
Total Non Current Assets Pledged as Security	3,590,732,506.82	4,164,682,653.20
Total Assets Pledged as Security	8,797,149,013.28	9,512,753,918.15

- 47 During the year the Income Tax authorities have carried out search & seizure action u/s 132(1) of the Income Tax Act 1961. The consequential proceedings are in progress. Pending these proceedings, no provision has been made in books for additional liability (amount presently not ascertainable) for tax, interest and penalty, if any.

48 Figures in bracket indicate deductions.

FOR MALHOTRA MANIK & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

C.A. MANIK MALHOTRA
PARTNER

Rajiv Garg
Mg.Director

Ujjwal Garg
Wholetime Director

Place : Ludhiana
Dated : 27-07-2020

Ramandeep Singh
Chief Financial Officer

Ridhima Sood
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of GARG ACRYLICS LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of GARG ACRYLICS LIMITED (the holding Company) and its subsidiary (collectively referred as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2020, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year ended on that date and a summary of significant accounting policies and other explanatory information (herein after referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs at March 31, 2020, of consolidated total comprehensive loss (Net Loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 44 to the consolidated financial results, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<u>Going concern assumption, financing and covenants</u>	
The availability of sufficient funding and the testing of whether the company will be able to continue meeting its obligations under the financing covenants are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations. Estimates are based on assumptions, including expectations regarding future developments in the economy and the market.	<p>We have used our own internal experts in evaluating the assumptions and forecasts made by management. We have specifically devoted attention to the assumptions made with respect to the future value added, the results and the cash flows in order to assess the company's ability to continue meeting its payment obligations and its obligations under the financing covenants in the year ahead.</p> <p>For notes on the Financial Risk Management, Capital Management see note no. 42 & 43 of financial statements respectively.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, which is expected to be made available to us after the date of Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read that report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance and describe action applicable under the applicable laws and regulations.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated Changes in Equity of the Group in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective management of the company/firm included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective management of the company/firm included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective management of the company/firm included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/financial information of the subsidiary, whose financial statements/financial information reflect total assets of Rs. 178.93 Lakhs as at 31st March, 2020, total comprehensive income of Rs. 0.70 Lakhs, and net cash inflow amounting to Rs. 0.21 Lakhs for the year ended 31st March, 2020 as considered in the consolidated financial statements. These financial statements/financial information certified by the Management have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and the disclosures included in respect of the subsidiary and our report in terms of sub sections (3) and (11) of Section 143 of Act, insofar as it relates to the aforesaid subsidiary, is based solely on such reports of the management.

Our opinion on the consolidated financial statements, and our report on the other legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the management certified reports.

Report on Other Legal and Regulatory Requirements

1 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account, as required by law, relating to preparation of the aforesaid consolidated financial statements have been kept by the Company, so far as it appears from our examination of those books.
- c) The consolidated Balance Sheet, the consolidated statement of Profit and Loss, the consolidated Cash Flow and consolidated statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.
- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2020, taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group & the operating effectiveness of such controls, refer to our separate report in "Annexure-A".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 Group does not have any pending litigations which would impact its financial position.
- ii) the Group 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 Group.

For MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Place: Ludhiana
Dated: 27-07-2020

MANIK MALHOTRA
PARTNER
Membership No. 094604

Referred to in paragraph 1 (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")

The Report hereunder on internal financial control is based on the audit of internal financial control of the holding company as neither any report on internal financial control has been received from subsidiary nor the same is applicable to it.

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of GARG ACRYLICS LIMITED (the Holding Company) as of 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 Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on 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 control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 2020, 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 MALHOTRA MANIK & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Regn. No. 015848N)

Place: Ludhiana
Dated: 27-07-2020

MANIK MALHOTRA
PARTNER
Membership No. 094604

GARG ACRYLICS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
	No.		
Assets			
1. Non-current assets			
(a) Property, Plant and Equipment	3(a)	3590733112.81	4164683339.19
(b) Capital work-in-progress		1050000.00	16211168.14
(c) Other Intangible Assets	3(b)	725412.23	837852.13
(d) Financial Assets			
- Investments	4	395335.40	389480.00
- Other financial assets	5	9223246.00	22660382.00
(e) Other non-current Assets	6	127883256.00	127731375.00
Total Non-current assets		3730010362.44	4332513596.46
2. Current assets			
(a) Inventories	7	3275765655.00	3332996212.00
(b) Financial Assets			
- Trade receivables	8	1938537689.72	2021741891.21
- Cash and cash equivalents	9	21867750.87	12276991.32
- Bank Balance other than above	9A	33069043.00	37312801.00
- Loans	10	52130119.00	54816395.00
- Other financial assets	11	281918140.41	209914330.60
(c) Other current assets	12	477667158.61	583692551.23
Total Current assets		6080955556.61	6252751172.36
Total Assets		9810965919.05	10585264768.82
Equity and Liabilities			
Equity			
(a) Equity Share capital	13	66428000.00	66428000.00
(b) Other Equity	14	2481933224.48	2643520403.81
(c) Non-controlling interests		242223.64	429401.65
Total Equity		2548603448.12	2710377805.46
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
- Borrowings	15	1622302587.91	2071513913.10
(b) Provisions	16	36915316.00	28673641.00
(c) Deferred tax liabilities (Net)	17	94183361.81	173948506.54
(d) Other non-current liabilities	18	1658568.25	2984649.42
Total Non-current liabilities		1755059833.97	2277120710.06
2. Current liabilities			
(a) Financial Liabilities			
- Borrowings	19	3997157159.22	3599813330.24
- Trade payables	20	877617624.83	1037110346.89
- Other financial liabilities	21	507533201.73	700418034.99
(b) Other current liabilities	22	106075987.77	193804703.89
(c) Provisions	23	18918663.40	66619837.30
Total Current liabilities		5507302636.96	5597766253.30
Total Equity and Liabilities		9810965919.05	10585264768.82
The accompanying notes are integral part of these financial statements	1 to 49		
Subject to our separate Report of even date			
FOR MALHOTRA MANIK & ASSOCIATES			
Chartered Accountants			
	Rajiv Garg Mg.Director	Ujjwal Garg Wholetime Director	
C.A. MANIK MALHOTRA PARTNER			
Place : Ludhiana Dated : 27-07-2020	Ramandeep Singh Chief Financial Officer	Ridhima Sood Company Secretary	

GARG ACRYLICS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	For the year ended		For the year ended	
		31st March 2020		31st March 2019	
		(Rs.)	P.)	(Rs.)	P.)
I. Revenue from operations	24	13950329471.07		18459447734.18	
II. Other income	25	27959799.76		38944498.47	
III. Total Income (I+II)		13978289270.83		18498392232.65	
IV. Expenses :					
Cost of materials consumed	26	7755519139.42		9003277983.60	
Purchases of stock-in-trade	27	2009947842.92		4980641016.25	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	97350394.00		-142031022.00	
Employee benefits expense	29	758292809.00		723954153.50	
Finance costs	30	585494685.10		599874507.34	
Depreciation and amortization expense	3(a),3(b)	717005669.26		734208732.81	
Other expenses	31	2275626655.49		2368308891.01	
Total Expenses		14199237195.19		18268234262.51	
V. Profit before tax (III-IV)		-220947924.36		230157970.14	
VI. Tax expense:					
(1) Current tax		9827264.00		88693520.00	
(2) Deferred tax		80726855.73		15768888.74	
(4) Prior Year Tax Provisions		13495067.70		1422715.46	
VII. Profit for the year (V-VI)		-163543400.33		155810623.42	
VIII. Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss					
- Remeasurements of the defined benefit plans		2880754.00		9461721.00	
(ii) Income tax relating to items that will not be reclassified to profit or loss		-961711.00		-3306303.79	
B (i) Items that will be reclassified to profit or loss		0.00		0.00	
(ii) Income tax relating to items that will be reclassified to profit or loss		0.00		0.00	
IX. Total Comprehensive Income for the year (VII+VIII)		-161624357.33		161966040.63	
Profit Attributable to:					
- Owners of the parent		-163506222.33		155741619.56	
- Non Controlling interest		-37178.01		69003.86	
		-163543400.33		155810623.42	
Other Comprehensive Income Attributable to:					
- Owners of the parent		1919043.00		6155417.21	
- Non Controlling interest		0.00		0.00	
		1919043.00		6155417.21	
Total Comprehensive Income Attributable to:					
- Owners of the parent		-161587179.33		161897036.78	
- Non Controlling interest		-37178.01		69003.86	
		-161624357.33		161966040.63	
Earnings per equity share	36				
Basic - Par value of Rs.10 per share		-24.61		23.45	
Diluted - Par value of Rs.10 per share		-24.61		23.45	
The accompanying notes are integral part of these financial statements	1 to 49				
Subject to our separate Report of even date					
FOR MALHOTRA MANIK & ASSOCIATES					
Chartered Accountants					
C.A. MANIK MALHOTRA PARTNER	Rajiv Garg Mg.Director		Ujjwal Garg Wholetime Director		
Place : Ludhiana Dated : 27-07-2020	Ramandeep Singh Chief Financial Officer		Ridhima Sood Company Secretary		

GARG ACRYLICS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	For the year ended 31st March 2020	For the year ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) before Exceptional items and tax	(220947924.36)	230157970.14
Adjustments for :		
Depreciation and amortisation	717005669.26	734208732.81
Interest expense	555518528.62	569934490.36
Fair Valuation (Gain)Loss on Investment	(5855.40)	(3689.20)
Defferred Revenue on Capital Subsidy	-438083.76	-438083.44
Defferred Revenue on Export Promotion Capital Goods	-2283616.00	-16545681.00
Deferred Revenue on Interest Free Loans	-848687.32	-848687.32
Provision for Doubtful Debt (Written Back)	13530561.00	-602503.00
Interest income	-23205287.60	-19746243.00
(Profit)/Loss on sale of Assets(Net)	(918647.65)	(606701.55)
Gratuity Provision	11865225.00	3330882.00
Gratuity-Other Comprehensive income	2880754.00	9461721.00
Operating Profit before working capital changes	1052152635.79	1508302207.80
Adjustments for Changes in Working capital:		
(Increase)/Decrease in Trade and other Receivables	119666754.30	-207288045.54
(Increase)/Decrease in Inventories	57230557.00	54150205.00
Increase/(Decrease) in Trade Payables and other Liabilities	(491187608.43)	196696884.87
Cash generated from Operations	737862338.66	1551861252.13
Net income tax paid	-23322331.70	-90116235.46
Net cash flow from/ (used in) operating activities	714540006.96	1461745016.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-147634461.30	-629908514.80
Proceeds from sale of Fixed Assets	22772193.11	3764025.00
Interest income	23205287.60	19746243.00
Net Cash used in investing activities	-101656980.59	-606398246.80
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) from Long Term Borrowings (Net)	(460738616.05)	(358931664.93)
Proceeds/ (Repayment) from Short Term Borrowings (Net)	397343828.98	39087393.75
Interest Paid	-544141237.76	-558756127.81
Net Cash flow from/(used in) Financing Activities	(607536024.83)	(878600398.99)
Net Increase in cash and cash equivalents	5347001.54	-23253629.11
Cash and cash equivalents at the beginning of the year	49589792.32	72843421.43
Cash and cash equivalents at the end of the year	54936793.86	49589792.32

The accompanying notes are integral part of these financial statement 1 to 49

FOR MALHOTRA MANIK & ASSOCIATES
Chartered Accountants

For and on behalf of the Board of Directors

C.A. MANIK MALHOTRA
PARTNER
Place : Ludhiana
Dated : 27-07-2020

Rajiv Garg
Mg.Director

Ujjwal Garg
Wholetime Director

Ramandeep Singh
Chief Financial Officer

Ridhima Sood
Company Secretary

GARG ACRYLICS LIMITED

Consolidated Statement of Changes in Equity

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Equity Share Capital				
Balance at the beginning of reporting period	6642800	66428000.00	6642800	66428000.00
Changes in equity share capital	0	0.00	0	0.00
Balance at the closing of reporting period	6642800	66428000.00	6642800	66428000.00

Other Equity

Particulars	Reserves & Surplus						Equity Component of compound financial instrument	Other items of other comprehensive income		Total	
	Securities Premium Reserve		General Reserve		Retained Earnings			(Rs.	P.)	(Rs.	P.)
	(Rs.	P.)	(Rs.	P.)	(Rs.	P.)					
Balance as at 01 April 2019	763657000.00		757512144.00		998956658.91		107452443.02		15942157.88		2643520403.81
Changes in equity for the year ended 31 March 2020											
Profit for the year					-163506222.33						-163506222.33
Transfer from Retained Earnings				0.00							0.00
Total comprehensive income for the year					-163506222.33				1919043.00		-161587179.33
Transfer to General Reserve					0.00						0.00
Balance as at 31 March 2020	763657000.00		757512144.00		835450436.59		107452443.02		17861200.88		2481933224.48
Balance as at 01 April 2018	763657000.00		657512144.00		943215039.35		107452443.02		9786740.66		2481623367.03
Changes in equity for the year ended 31 March 2019											
Profit for the year					155741619.56						155741619.56
Transfer from Retained Earnings			100000000.00								100000000.00
Total comprehensive income for the year					155741619.56				6155417.21		161897036.78
Transfer to General Reserve					-100000000.00						-100000000.00
Balance as at 31 March 2019	763657000.00		757512144.00		998956658.91		107452443.02		15942157.88		2643520403.81

NOTES

forming part of Consolidated Financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

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 (The Holding Company). Garg International is a partnership firm formed under the Indian Partnership Act, 1932. The firm is engaged in trading of textile products (the Subsidiary) both collectively referred as "The Group".

2. SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis. The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Principles of Consolidation

In accordance with Ind AS 101, the company has elected to apply Ind AS accounting for business combinations prospectively from 1st April 2016. Accordingly, balances relating to business combinations entered into before that date as per Indian GAAP have been carried forward.

Investment in Subsidiaries

Subsidiaries are all entities over which the group has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

The company combines the financial statements of its subsidiaries on line by line basis adding together like items of assets, liabilities, equity, income and expenses.

Group transactions, balances and unrealised gains on transactions between group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit and loss and balance sheet respectively.

(c) Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised.

(d) Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable. The amount disclosed as revenue is and net of returns, trade discounts, goods & service tax and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

(i) Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

(ii) Services

Revenue from the sale of services is recognised on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Export Incentives

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

(iv) Interest

Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(v) Dividend

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

(vi) 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.

(e) Goods & Service Tax (G.S.T)

G.S.T. in respect of goods manufactured by the company is accounted for at the time of removal of goods from factory for sale.

(f) Employees Benefits

(i) Short term Employee Benefits :

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

(ii) Post Employment Benefits

(a) Defined Contribution Plans:

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(b) Defined Benefit Plans

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

(g) Property, Plant and Equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under IND AS and hence regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, Plant and Equipment comprises:

(a) its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.

(b) any attributable expenditure directly attributable for bringing an asset to the location and the working condition for its intended use.

Depreciation is provided on straight line method on the basis of useful lives of such assets specified in Schedule II to 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

(h) Intangible Assets

Intangible assets are stated at cost less accumulated amount of amortization.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, etc. The amortization method and useful lives are reviewed periodically at end of each financial year.

(i) Inventories

Inventories are valued at cost or net realizable value, whichever is lower. The cost in respect of the various items of inventory is computed as under:

In case of Raw Materials and Stores & Spares at weighted average cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

In case of Work in Progress & Finished Goods at weighted average material cost plus conversion costs depending upon the stage of completion.

In case of Waste at Net Realizable Value.

In case of Goods in transit at cost plus expenses incurred up to their present condition and location.

(j) 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Earnings per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(l) Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is also recognized in equity or other comprehensive income respectively.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets and liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and 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.

(m) Government Grants

The government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

(n) Foreign Currency Transactions

(i) Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupee.

(ii) Transaction and balances

The foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

The foreign currency monetary items are translated using the closing rate at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise.

Foreign exchange differences recorded as an adjustment to borrowing costs are presented in the statement of profit and loss, as a part of finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on net basis.

(o) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

(p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except financial asset or financial liability measured at fair value through profit or loss. Transaction costs of financial assets and liabilities carried at fair value through the Profit and Loss are immediately recognized in the Statement of Profit and Loss.

(ii) Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income.

(iv) Investments

The Company has adopted to measure investments in Equity Shares at cost in accordance with Ind AS 27 and carrying amount as per previous GAAP at the date of transition has been considered as deemed cost in accordance with Ind AS 101.

(v) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

c. Share capital

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

(iii) Fair value measurement of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

(q) Impairment of assets

a. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

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.

(r) Cash and cash equivalents

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.

(s) Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

(t) Provisions

A provision shall be recognised when:

- (a) an entity has a present obligation as a result of a past event;
- (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3(a) Property, Plant and Equipment

Particulars	Original Cost										Depreciation and Amortization								Net Block			
	Balance		Additions		Disposals		Other		Balance		Balance		Depreciation/		Eliminated		Other		Balance		Balance	
	as at						adjustments		as at 31st		as at		amortisation		on disposal		adjustments		as at 31st		as at 31st	
	1st April, 2019								March, 2020		1st April, 2019		expense for		of assets				March, 2020		March, 2020	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Tangible Assets:																						
Free-hold Land	225543075.50		20784700.00		7955486.00		0.00		238372289.50		0.00		0.00		0.00		0.00		0.00		238372289.50	225543075.50
Buildings	1877631178.58		35015514.77		0.00		0.00		1912646693.35		452434845.12		57029522.00		0.00		0.00		509464367.12		1403182326.23	1425196333.46
Plant and Equipment	7961138081.02		101871580.12		18919786.30		2219670.00		8046309544.84		5498510952.34		650425785.26		6056593.19		0.00		6142880144.41		1903429400.43	2462627128.68
Vehicles	69171115.26		4021990.00		5345131.00		0.00		67847974.26		30621812.13		6748062.99		4310264.65		0.00		33059610.47		34788363.79	38549303.13
Office equipment	22415899.15		840149.55		0.00		0.00		23256048.70		19516579.81		958772.01		0.00		0.00		20475351.82		2780696.88	2899319.34
Furniture and Fixtures	20952820.36		42944.00		0.00		0.00		20995764.36		11084641.27		1731087.11		0.00		0.00		12815728.38		8180035.98	9868179.09
Total	10176852169.87		162576878.44		32220403.30		2219670.00		10309428315.01		6012168830.68		716893229.37		10366857.84		0.00		6718695202.21		3590733112.81	4164683339.19

Particulars	Original Cost										Depreciation and Amortization								Net Block			
	Balance		Additions		Disposals		Other		Balance		Balance		Depreciation/		Eliminated		Other		Balance		Balance	
	as at						adjustments		as at 31st		as at		amortisation		on disposal		adjustments		as at 31st		as at 31st	
	1st April, 2018								March, 2019		1st April, 2018		expense for		of assets				March, 2019		March, 2019	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Tangible Assets:																						
Free-hold Land	225543075.50		0.00		0.00		0.00		225543075.50		0.00		0.00		0.00		0.00		0.00		225543075.50	225543075.50
Buildings	1764137063.67		113494114.91		0.00		0.00		1877631178.58		397403150.16		55031694.96		0.00		0.00		452434845.12		1425196333.46	1366733913.51
Plant and Equipment	7351300432.02		606136069.00		13066797.00		16768377.00		7961138081.02		4839405611.41		669645372.89		10540031.96		0.00		5498510952.34		2462627128.68	2511894820.61
Vehicles	70285270.26		7667445.00		8781600.00		0.00		69171115.26		32262133.31		6510720.41		8151041.59		0.00		30621812.13		38549303.13	38023136.95
Office equipment	21869374.28		546524.87		0.00		0.00		22415899.15		18323484.86		1193094.95		0.00		0.00		19516579.81		2899319.34	3545889.42
Furniture and Fixtures	19417636.92		1535183.44		0.00		0.00		20952820.36		9369231.56		1715409.71		0.00		0.00		11084641.27		9868179.09	10048405.36
Total	9452552852.65		729379337.22		21848397.00		16768377.00		10176852169.87		5296763611.31		734096292.92		18691073.55		0.00		6012168830.68		4164683339.19	4155789241.34

3(b) Other Intangible Assets

	Original Cost										Depreciation and Amortization										Net Block			
Particulars	Balance as at 1st April, 2019		Additions		Disposals		Other adjustments		Balance as at 31st March, 2020		Balance as at 1st April, 2019		Depreciation/ Amortisation expense for the year		Eliminated on disposal of assets		Other adjustments		Balance as at 31st March, 2020		Balance as at 31st March, 2020		Balance as at 31st March, 2019	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Other Intangible Assets:																								
Computer Softwares	1186700.00		0.00		0.00		0.00		1186700.00		348847.87		112439.89		0.00		0.00		461287.77		725412.23		837852.13	
Total	1186700.00		0.00		0.00				1186700.00		348847.87		112439.89		0.00		0.00		461287.77		725412.23		837852.13	

	Original Cost										Depreciation and Amortization										Net Block			
Particulars	Balance as at 1st April, 2018		Additions		Disposals		Other adjustments		Balance as at 31st March, 2019		Balance as at 1st April, 2018		Depreciation/ Amortisation expense for the year		Eliminated on disposal of assets		Other adjustments		Balance as at 31st March, 2019		Balance as at 31st March, 2019		Balance as at 31st March, 2018	
	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
Other Intangible Assets:																								
Computer Softwares	1186700.00		0.00		0.00		0.00		1186700.00		236407.98		112439.89		0.00		0.00		348847.87		837852.13		950292.02	
Total	1186700.00		0.00		0.00		0.00		1186700.00		236407.98		112439.89		0.00		0.00		348847.87		837852.13		950292.02	

Intangible Assets are not internally generated.

4 Investments (Non Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
<u>Financial Assets at FVTPL</u>				
(i) Investment In Equity Instruments (Unquoted)				
15,000 Equity Shares of Rs. 10/- each fully paid up of Garg Fincap Limited	393150.00	383355.00		
(ii) Investment in Equity Instruments (Quoted)	2185.40	6125.00		
196 Equity Shares of Rs. 10/- each fully paid up of Punjab & Sind Bank				
Total	395335.40	389480.00		

5 Other Financial Assets (Non Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
<u>Financial assets at amortized cost</u>				
Fixed Deposits with banks more than twelve months maturity	9200371.00	15700555.00		
Interest Receivable	22875.00	6959827.00		
Total	9223246.00	22660382.00		

6 Other Non Current Assets

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
Non Financial Assets at amortized cost				
<u>(unsecured, considered good)</u>				
Capital advances	0.00	0.00		
Security deposits	127883256.00	127731375.00		
Total	127883256.00	127731375.00		

7 Inventories

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
<u>At cost or net realisable value, whichever is lower</u>				
Raw materials	2296286396.00	2281101959.00		
Work-in-progress	208025134.00	182838957.00		
Finished Goods	690914439.00	798359985.00		
Stock-in-Trade (in respect of goods acquired for trading)	8991376.00	24082401.00		
Stores, Spares & Packing Material	71548310.00	46612910.00		
Total	3275765655.00	3332996212.00		

8 Trade receivables

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
Receivable from related parties				
- Unsecured, considered good	10127342.04	21381031.04		
Receivable from others				
- Unsecured, considered good	1928410347.68	2000360860.17		
- Doubtful	17290942.00	3760381.00		
Less: Provisions for doubtful trade receivables	17290942.00	3760381.00		
Total	1938537689.72	2021741891.21		

9 Cash and cash equivalents

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
a) Balances with banks				
- In current accounts	4960752.34	1586433.06		
b) Cash on hand	16906998.53	10690558.26		
Total	21867750.87	12276991.32		

9A Bank Balances other than Cash and cash equivalents

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
a) Other bank balances				
- Deposits with more than twelve months maturity	9200371.00	9200371.00		
- Deposits with more than three months but less than twelve months maturity	33069043.00	43812985.00		
Sub-Total	42269414.00	53013356.00		
Less: Amounts disclosed as other financial non current assets (refer note 5)	9200371.00	15700555.00		
Total	33069043.00	37312801.00		

10 Loans (Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
<u>Financial assets at amortized cost</u>				
Others				
Loan to employees	49730119.00	50916395.00		
Loan to Others	2400000.00	3900000.00		
Total	52130119.00	54816395.00		

11 Other financial assets (Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
<u>Financial assets at amortized cost</u>				
Interest receivables-FDR	8181566.60	2816308.60		
Interest receivables-Others	7681460.00	5897687.00		
Claims receivables	177726034.81	144430188.00		
Other Recoverable	88329079.00	56770147.00		
Total	281918140.41	209914330.60		

12 Other Current Assets

Particulars	As at 31st March 2020		As at 31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
(unsecured considered good, unless otherwise stated)				
Advances to suppliers	82376808.83		336437905.79	
Balance with government authorities	284832191.78		242600767.44	
Prepaid expenses	8108431.00		4571441.00	
Other Recoverables	102349727.00		82437.00	
Total	477667158.61		583692551.23	

13 SHARE CAPITAL

Particulars	As at 31st March 2020			As at 31st March 2019		
	Number	(Rs.)	P.)	Number	(Rs.)	P.)
Authorised						
Equity shares of Rs. 10/- each (par value)	6900000	69000000.00		6900000	69000000.00	
6% Non-Cumulative Redeemable Preference Shares of 10/- each	24300000	243000000.00		24300000	243000000.00	
Total	31200000	312000000.00		31200000	312000000.00	

Issued, subscribed and fully paid-up

i) Equity shares of Rs. 10/- each	6642800	66428000.00	6642800	66428000.00
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(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March 2020			As at 31st March 2019		
	Number	(Rs.)	P.)	Number	(Rs.)	P.)
Equity shares						
At the beginning of the reporting period	6642800	66428000.00		6642800	66428000.00	
Add: Bonus shares Issued during the reporting period	0	0.00		0	0.00	
Outstanding at the end of the reporting period	6642800	66428000.00		6642800	66428000.00	

(b) Rights, preferences and restrictions attached to equity shares

The company's equity shares are having par value of Re.10/- per share. Each holder of equity share is entitled to one vote per share. The dividend distribution (if any) will be in proportion to the number of equity shares held by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	% shareholding	Number	% shareholding
Equity shares				
Shubham Yarns Private Limited	1,497,520	22.54	1497520	22.54
GAL Cottex Private Limited	1,063,920	16.02	1063920	16.02
Himachal Yarns Limited	478,720	7.21	478720	7.21
Ashwani Aggarwal	360,000	5.42	360000	5.42
Sumit Aggarwal	360,000	5.42	360000	5.42

(d) Shares held by holding company or its ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

There is no holding /ultimate holding company of this Company.

(e) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of five years immediately preceding the reporting date.

5812450 Equity Shares allotted as fully paid up by way of bonus shares during year ended 31st March, 2018.

	As at 31st March 2020			As at 31st March 2019		
(ii) 6% Non-Cumulative Redeemable Preference shares of Rs. 10/- each.	Number	(Rs.	P.)	Number	(Rs.	P.)
	20000000	200000000.00		20000000	200000000.00	

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

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	20000000	200000000.00	20000000	200000000.00

Under Indian GAAP, Non Cumulative preference shares were recorded at their transaction value. Under Ind AS, these Preference shares are to be measured as compound financial instruments on the basis of effective interest rate method. Due to this, preference shares has been divided into debt portion and equity component as under:-

	As at 31st March 2020		As at 31st March 2019	
Equity Component- Note No. 14 Other Equity	107452443.02		107452443.02	
Debt Component - Note No. 15 Borrowings	99893563.39		91645470.99	
Deferred Tax recognised	56868029.00		56868029.00	
Interest on debt portion recognised	-64214035.41		-55965943.01	
Total	200000000.00		200000000.00	

(b) Rights, Preference and restriction attached to Preference Shares

The company's Preference share are having par value of Rs. 10/- per share. The shares carry a right to preferential dividend @ 6% p.a. in relation to the paid up capital on them. The holders of said shares have a right to attend General Meeting of the Company and vote on resolution affecting their interest. In a winding up, the holder of the said shares shall be entitled to a preferential right of return of the amount paid up on the shares but shall not have any further right or claim over the surplus assets of the company.

(c) Preference shares are redeemable at par as detailed hereunder

	As at 31st March 2020		As at 31st March 2019	
	Number	Equity Component Rs. P.	Number	Equity Component Rs. P.
31/03/2024	700000	3760128.64	700000	3760128.64
31/03/2025	3000000	16117214.18	3000000	16117214.18
31/03/2027	7000000	37606833.08	7000000	37606833.08
31/03/2028	3000000	16120663.21	3000000	16120663.21
31/03/2029	2000000	10745959.70	2000000	10745959.70
28/03/2034	4300000	23101644.22	4300000	23101644.22
	20000000	107452443.02	20000000	107452443.02

(d) Detail of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	% shareholding	Number	% shareholding
Shubham Yarns Private Limited	5400000	27.00	5400000	27.00
GAL Cottex Private Limited	2500000	12.50	2500000	12.50
Himachal Yarns Limited	6030000	30.15	6030000	30.15
Garg Fincap Limited	4370000	21.85	4370000	21.85
Pushpa Yarns Private Limited	1700000	8.50	1700000	8.50

(e) Terms of securities convertible into equity/preference shares N.A.

14 Other Equity

Particulars	Reserves & Surplus						Equity		Other items		Total	
					Component of compound financial instrument		of other comprehensive income					
	Securities Premium Reserve (Rs. P.)		General Reserve (Rs. P.)		Retained Earnings (Rs. P.)		(Rs. P.)		(Rs. P.)		(Rs. P.)	
Balance as at 01 April 2019	763657000.00		757512144.00		998956658.91		107452443.02		15942157.88		2643520403.81	
Changes in equity for the year ended 31 March 2020												
Profit for the year					-163506222.33						-163506222.33	
Amount Transferred from Retained Earnings					0.00						0.00	
Total comprehensive income for the year					-163506222.33				1919043.00		-161587179.33	
Transfer to General Reserve					0.00						0.00	
Balance as at 31 March 2020	763657000.00		757512144.00		835450436.59		107452443.02		17861200.88		2481933224.48	
Balance as at 01 April 2018	763657000.00		657512144.00		943215039.35		107452443.02		9786740.66		2481623367.03	
Changes in equity for the year ended 31 March 2019					953001780.01							
Bonus shares issued					0.00						0.00	
Profit for the year					155741619.56						155741619.56	
Amount Transferred from Retained Earnings					100000000.00						100000000.00	
Total comprehensive income for the year					155741619.56				6155417.21		161897036.78	
Transfer to General Reserve					-100000000.00						-100000000.00	
Balance as at 31 March 2019	763657000.00		757512144.00		998956658.91		107452443.02		15942157.88		2643520403.81	

15 Borrowings (Non Current)

Particulars	As at 31st March 2020		As at 31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Secured				
Term loans				
From banks (Net of unamortized processing charges)	1863452945.58		2425180337.75	
Less: Current maturities (refer note-21)	472369352.12		667066593.69	
Preference Shares	99893563.39		91645470.99	
Sub Total	1490977156.85		1849759215.05	
Unsecured				
Vehicles Loans from Banks	12335093.37		17525132.57	
Vehicles Loans from Companies	0.00		236761.00	
Other Loans from Companies	126460313.06		210899369.78	
Less: Current maturities of Vehicle Loans (from Banks)	7469975.37		6669804.30	
Less: Current maturities of Vehicle Loans (from Companies)	0.00		236761.00	
Sub Total	131325431.06		221754698.05	
Total	1622302587.91		2071513913.10	

Details of security for term loans

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.

Term Loans from Banks are repayable in quarterly installments.

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

Year Ended	Repayment
31/03/2022	572865349.02
31/03/2023	321560164.15
31/03/2024	156522055.84
31/03/2025	161850517.66
31/03/2026	80431103.19
31/03/2027	55967773.93
31/03/2028	41886629.67

The year wise repayment of debt component of 6% Non cumulative Redeemable Preference shares are as under:-

Due date of Redemption	Amount (Rs.)
31/03/2024	4962344.16
31/03/2025	19497941.59
31/03/2027	38292397.14
31/03/2028	15055988.39
31/03/2029	9208555.59
28/03/2034	12876336.52

Yearwise Repayment of Vehicle Loans due are as under:-

Year Ended	To Banks	To Companies
31/03/2022	4298699.50	0.00
31/03/2023	520827.61	0.00
31/03/2024	45590.89	0.00

Yearwise Repayment of other loans	Year Ended	Amount(Rs)
	31/03/2022	76460313.06
	31/03/2023	35000000.00
	31/03/2024	15000000.00

16 Provisions (Non Current)

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
Provision for employee benefits : - Provision for Gratuity	36915316.00	28673641.00
Total	36915316.00	28673641.00

17 Deferred tax liabilities (net)

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
Deferred tax liabilities Gross deferred tax liability (A) [Refer note 39(a)]	118105217.65	192012601.50
Deferred tax assets Gross deferred tax asset (B) [Refer note 39(a)]	23921855.84	18064094.96
Deferred tax liability (Net) (A-B)	94183361.81	173948506.54

18 Other non-current liabilities

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
<u>Non Financial liabilities at amortized cost</u> Deferred Revenue Capital subsidy	809881.01	1287274.86
Deferred Revenue Interest Free Loans	848687.25	1697374.57
Total	1658568.25	2984649.42

19 Borrowings (Current)

Particulars	As at 31st March 2020 (Rs. P.)	As at 31st March 2019 (Rs. P.)
Working capital loans - From banks (secured)	3997157159.22	3599813330.24
Total	3997157159.22	3599813330.24

Details of security for working capital borrowings

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.

20 Trade payables

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
Trade payables				
Due to others (refer note 37)	877537341.83	1032770346.89		
Due to related parties (Refer Note 38)	80283.00	4340000.00		
Total	877617624.83	1037110346.89		

21 Other financial liabilities (Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
<u>Financial liabilities at amortized cost</u>				
Current maturities of non current debt	479839327.49	673973158.99		
Interest accrued but not due on borrowings	27693874.24	26444876.00		
Total	507533201.73	700418034.99		

22 Other current liabilities

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
Statutory remittances**	9650328.14	13140268.77		
Deferred Revenue on Capital subsidy	477393.85	438083.76		
Deferred Revenue on EPCG	0.00	282697.00		
Deferred Revenue on Interest Free Loans	848687.29	848687.29		
Advances from customers	12383088.22	31853407.40		
Expense payable	82716490.26	147241559.66		
Total	106075987.77	193804703.89		

** Statutory remittances include contribution to provident fund, ESIC, tax deducted at source, G.S.T. etc.

23 Provisions (Current)

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
Provision for Taxation	4402094.40	55726818.30		
Provision for employee benefits :Gratuity (refer note 41)	14516569.00	10893019.00		
Total	18918663.40	66619837.30		

24 Revenue from operations

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
Sale of products (Net of turnover discount and G.S.T.)	13790697316.83	18348071477.20		
Other operating revenues - Export benefits	97557638.54	94873863.46		
Gain on foreign currency transactions and translations (Net)	62074515.70	16502393.52		
Total	13950329471.07	18459447734.18		

25 Other income

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	P.)	P.)
Interest Income on banks deposits	3915526.60	5807849.00		
Interest on delayed payments	19289761.00	13938394.00		
Deferred Revenue on Capital Subsidy	438083.76	438083.44		
Deferred Revenue on Interest free loans	848687.32	848687.32		
Deferred Revenue on Export Promotion Capital Goods	2283616.00	16629363.00		
Net gain on disposal of property, plant and equipment	918647.65	606701.55		
Miscellaneous Income	265477.43	675420.16		
Total	27959799.76	38944498.47		

26 Cost of materials consumed

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Inventory at the beginning of the year	2281101959.00	2432739350.00		
Add: Purchases during the year	7770703576.42	8851640592.60		
Less: Inventory at the end of the year	2296286396.00	2281101959.00		
Cost of materials consumed	7755519139.42	9003277983.60		
Broad Category for Raw Material Consumed				
Synthetic Fibre	1517736844.02	1774471491.52		
Cotton Fibre	5807203221.76	6244409663.79		
Fabric, Yarn for Garments	239048439.27	723954110.81		
Others (Semi Finished yarns)	191530634.38	260442717.48		
	7755519139.42	9003277983.60		

27 Purchases of Stock-in-trade:

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Synthetic/Cotton Fibre	805184978.38	1532776133.44		
Synthetic/Cotton Yarn	1028175249.70	3224539387.72		
Synthetic Fabric	72885236.41	150986835.95		
Garments	0.00	12480612.96		
Chemicals	103702378.43	59858046.18		
Total	2009947842.92	4980641016.25		

28 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Inventories at the beginning of the year				
Work-in-progress	182838957.00	147888221.00		
Finished goods	798359985.00	712987100.00		
Stock-in-trade of traded goods	24082401.00	2375000.00		
Sub Total	1005281343.00	863250321.00		
Inventories at the end of the year				
Work-in-progress	208025134.00	182838957.00		
Finished goods	690914439.00	798359985.00		
Stock-in-trade of traded goods	8991376.00	24082401.00		
Sub Total	907930949.00	1005281343.00		
Total	97350394.00	-142031022.00		

29 Employee benefits expense

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Salaries and wages	707718281.00	675374572.50		
Contribution to provident and other funds	31677044.00	29156391.00		
Conveyance Expenses-Workers	18897484.00	19423190.00		
Total	758292809.00	723954153.50		

30 Finance costs

Particulars	As at		As at	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Interest expense	544141237.76	558756127.81		
Notional Interest on Preference Shares	8248092.40	7567057.24		
Notional Interest on Unsecured Loans	980943.28	899947.96		
Notional amortisation of Processing Fees	2148255.18	2711357.35		
Interest on Taxes	3216450.00	1198798.00		
Other borrowing costs	26759706.48	28741218.98		
Total	585494685.10	599874507.34		

31 Other expenses

Particulars	As at		As at	
	31st March 2020		31st March 2019	
	(Rs.)	P.)	(Rs.)	P.)
Power & Fuel	1154239875.00		1188435910.31	
Consumption of Stores and Spares	374073473.29		503250789.36	
Job Charges	132765777.09		115868545.95	
Repairs to Machinery	189820894.08		130519777.25	
Repairs to Building	9427038.07		8013163.85	
Repair Others	3649876.31		3547575.12	
Insurance	18462648.16		10184369.77	
Vehicle Maintenance	17313042.30		16046079.12	
Travelling & Conveyance Expenses	14240665.51		12704894.86	
Postage Courier & Telephone	2020680.65		2205696.89	
Auditors Remuneration	400000.00		410000.00	
Cost Audit Fee	50000.00		50000.00	
Legal & Professional Charges	22045976.00		10398259.00	
Rates and Taxes	3740446.09		5675379.45	
Listing Fee	55000.00		20000.00	
Printing & Stationery	3344429.88		3514069.52	
Subscription & Periodicals	788802.00		239944.00	
General Expenses	4488053.73		7751486.38	
Corporate Social Responsibility Expenses	383654.00		106916.00	
Deemed (gain) loss on Fair Value of Investment	(5855.40)		(3689.20)	
Charity & Donation	86100.00		187500.00	
Provision for doubtful trade receivables	13530561.00		0.00	
Recruitment Expenses	514479.00		893699.00	
Export Expenses	199805743.88		220479899.51	
Carriage Outward	65891879.41		72213791.50	
Advertisement and Sales Promotion	835521.83		2203950.63	
Brokerage and Commission	43657893.61		53390882.74	
Total	2275626655.49		2368308891.01	

32(a) Financial Instruments by Category

The carrying value and fair value of financial instruments at the end of each reporting period is as follows:

As at 31st March 2020

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)				395,335.40			395,335.40	395,335.40
Other financial non-current assets (Refer Note 5)		9223246.00					9,223,246.00	9223246.00
Trade receivables (Refer Note 8)		1,938,537,689.72					1,938,537,689.72	1,938,537,689.72
Cash and Cash Equivalents (Refer Note 9)		21,867,750.87					21,867,750.87	21,867,750.87
Other Bank Balances (Refer Note 9A)		33069043.00					33,069,043.00	33,069,043.00
Loans (Current) (Refer Note 10)		52,130,119.00					52,130,119.00	52,130,119.00
Other financial assets (Current) (Refer Note 11)		281,918,140.41					281,918,140.41	281,918,140.41
Total	0.00	2,336,745,989.00	0.00	395,335.40	0.00	0.00	2,337,141,324.40	2,337,141,324.40
Liabilities:								
Borrowings (Non Current) (Refer Note 15)		1,522,409,024.52				99893563.39	1,622,302,587.91	1,622,302,587.91
Borrowings (Current) (Refer Note 19)		3,997,157,159.22					3,997,157,159.22	3,997,157,159.22
Trade Payables (Refer Note 20)		877,617,624.83					877,617,624.83	877,617,624.83
Other financial liabilities (Current) (Refer Note 21)		507,533,201.73					507,533,201.73	507,533,201.73
Total	0	6904717010.30	0	0	0	99893563.39	7004610574	7,004,610,573.69

As at 31st March 2019

Particulars	At Cost	At Amortized cost	At fair value through profit or loss		As Compound Financial Instrument		Total carrying value	Total Fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments (Non Current) (Refer Note 4)				389,480.00			389,480.00	389,480.00
Other financial non-current assets (Refer Note 5)		22,660,382.00					22,660,382.00	22660382.00
Trade receivables (Refer Note 8)		2,021,741,891.21					2,021,741,891.21	2,021,741,891.21
Cash and Cash Equivalents (Refer Note 9)		12,276,991.32					12,276,991.32	12,276,991.32
Other Bank Balances (Refer Note 9A)		37,312,801.00					37,312,801.00	37,312,801.00
Loans (Current) (Refer Note 10)		54,816,395.00					54,816,395.00	54,816,395.00
Other financial assets (Current) (Refer Note 11)		209,914,330.60					209,914,330.60	209,914,330.60
Total	0.00	2,358,722,791.13	0.00	389,480.00	0.00	0.00	2,359,112,271.13	2,359,112,271.13
Liabilities:								
Borrowings (Non Current) (Refer Note 15)		1,979,868,442.11				91645470.99	2,071,513,913.10	2,071,513,913.10
Borrowings (Current) (Refer Note 19)		3,599,813,330.24					3,599,813,330.24	3,599,813,330.24
Trade Payables (Refer Note 20)		1,037,110,346.89					1,037,110,346.89	1,037,110,346.89
Other financial liabilities (Current) (Refer Note 21)		700,418,034.99					700,418,034.99	700,418,034.99
Total	0	7317210154.23	0	0	0	91645470.99	7408855625.22	7408855625.22

32 (b) Fair Value Measurement**(i) Fair Value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:
As at 31st March 2020**

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through Profit and Loss	395,335.40	2,185.40	393150.00	0.00

As at 31st March 2019

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Long term Investments				
Fair Value through Profit and Loss	389,480.00	6,125.00	383355.00	0.00

33 Contingent liabilities (to the extent not provided for):-

Particulars	(Rs. In lacs)	
	As at 31st March, 2020	As at 31st March, 2019
Contingent Liabilities		
(i) Bank Guarantees	40.51 lacs	27.45 lacs
(ii) Letters of Credit outstanding	--	357.49 lacs

34 Business segments have been identified based on the nature and class of products and services, assessment of and disclosure requirements as contained in Ind AS- 108 'Operating Segments' are not required in the Financial statements.

35 In accordance with Ind AS-36 on "Impairment of Assets" the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

36 Earning Per Share

- (a) The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share"
- (i) A statement on calculation of basic & Diluted EPS is as under:

Particulars	31.03.2020	31.03.2019
Net Profit after tax attributable to equity shareholders (A)	-163,506,222.33	155,741,619.56
Weighted average number of equity shares (B)	6642800	6642800
Basic earning per Share (A)/(B)	-24.61	23.45
Diluted earning per Share (A)/(B)	-24.61	23.45
Face value per equity share	10.00	10.00

- 37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the chapter on delayed payments to Micro & small enterprises.

Sr. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Principal amount remaining unpaid to any supplier as at the end of accounting period	-	-
2	Interest due on remaining unpaid to any supplier as at the end of the accounting period	-	-
3	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during accounting period	-	-
4	The amount of interest due and payable for the year	-	-
5	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
6	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues of Micro, Small and Medium enterprises have been determined on the basis of information collected by the management. This has been relied upon by the auditors.

38 Related Party Disclosure

(a) Disclosure of Related Parties and relationship between the parties.

1	Key Management Personnel (KMP)	Sanjiv Garg - Managing Director Rajiv Garg - Managing Director Ujjwal Garg - Wholetime Director
2	Enterprises over which key Management Personnel and relative of such personnel is able to exercise significant influence or control	Pushpa Yarns Private Limited Shubham Yarns Private Limited DPG Textiles Ltd Gal Cotex Private Limited
3	Relatives of KMP	Sambhav Garg

(b) Description of the nature of transactions with the related parties :-

Particulars	Key Management Personnel (KMP)		Relative of Key Management Personnel (KMP)		Enterprises over which KMP is able to exercise significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods						
Sale of goods						
KMP Remuneration	6958161.00	6325275.00	1500120.00	1320000.00	--	--
Year end balance receivable	--	--	--	--	--	--
Year end balance receivable						
Year end balance payable	--	--	--	--	4067940.96	-2926031.04
					--	--

39 Income taxes:

(a) The detail of deferred tax liabilities and assets as at the end of each reporting period is as under:

	As at 1st April 2018	Movement during 2018-19	As at 31st March 2019	Movement during 2019-20	As at 31st march 2020
Deferred tax Liability					
Impact of Depreciation	163,865,519.22	-9729910.57	154,135,608.65	-69464858.27	84,670,750.38
Fair valuation Gain on investments	12178.83	1407.40	13,586.23	1348.24	14,934.47
Impact of Compound Financial Instruments	40118142.57	-2254735.95	37,863,406.62	-4443873.82	33,419,532.81
Sub Total (A)	203,995,840.62	-11,983,239.13	192,012,601.50	-73,907,383.84	118,105,217.65
Deferred tax Asset					
Impact of Unamortised Processing Fees	2256734.06	-374751.79	1,881,982.27	-779842.71	1,102,139.56
Government Grants	748724.03	-145814.71	602,909.32	-173165.47	429,743.84
Gratuity	12,540,478.05	1285695.62	13,826,173.67	3343846.82	17,170,020.49
Punjab Labour Welfare Fund	528,906.10	-89903.93	439,002.17	263907.30	702,909.47
Provision for Doubtful Debt	1509906.89	-195879.36	1,314,027.54	3203014.95	4,517,042.48
Sub Total (B)	17,584,749.13	479,345.83	18,064,094.96	5,857,760.88	23,921,855.84
Deferred tax liability (Net) (A-B)	186,411,091.49	-12,462,584.95	173,948,506.54	-79,765,144.73	94,183,361.81

(b) Reconciliation of Deferred tax liabilities (net)

Particulars	Current year	Previous year
Deferred tax liability at the beginning of the year	173,948,506.54	186,411,091.49
Deferred tax (income)/expenses during the year recognized in Statement of Profit and loss	-80,726,855.73	-15768888.74
Deferred tax (income)/expenses during the year recognized in Other Comprehensive income	961711.00	3306303.79
Deferred tax liability at the end of the year	94,183,361.81	173,948,506.54

(c) Reconciliation of tax expense and the Profit before tax multiplied by statutory tax rate :

Particulars	Current year	Previous year
Accounting profit before tax	-220,947,924.36	230,157,970.00
Tax at statutory income tax rate of 33.384% (Prev. Year 34.944%)	-73761255.00	80,426,401.00
Tax effect of the amounts not deductible for computing taxable income		
Depreciation difference	69955050.00	15983841.00
Disallowances	156823.00	102881.00
43B Disallowances	5625707.00	4682227.00
Deductions/Exemption/Non Taxable items	-344186.00	-1065203.00
Fair valuation Gain on investments	-1955.00	-1289.00
Deferred Revenue	-1191938.00	-15549874.00
Notional Interest	3798195.00	3906167.00
Interest on Taxes	1073781.00	418908.00
Provision for Doubtful Debt	4517042.00	-210539.00
Income tax expense	9,827,264.00	88,693,520.00

40 In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has paid a sum of Rs.383654/- (31.03.2019 Rs.106916/-) towards approved Corporate Social Responsibility (CSR) activities. The said amount stands debited to the "Corporate Social Responsibility" under the head "other expenses".

41 Employee Benefits :

Gratuity plan: The Company has a gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act.

The following tables set out the disclosures in respect of the gratuity plan as required under Ind AS 19.

(a) Changes in the present value of the obligations:

Particulars	Current Year	Previous Year
Present value obligation as at beginning of the year	39,566,660.00	36235778.00
Interest cost	2996084.00	2787627.00
Past service cost	0.00	0.00
Current service cost	12038900.00	10070624.00
Benefits Paid	-289005.00	-65648.00
Actuarial (gain)/ loss on Obligations	-2880754.00	-9461721.00
Present value obligation as at end of the year	51,431,885.00	39,566,660.00

(b) Changes in the present value of the obligations:

Particulars	Current Year	Previous Year
Fair value of Plan Assets as at beginning of the year	-	-
Actual return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Withdrawal	-	-
Fair value of Plan Assets as at end of the year	0.00	0.00

(c) Amount recognized in Balance Sheet:

Particulars	Current Year	Previous Year
Present value obligation as at end of the year	51,431,885.00	39566660.00
Fair value of Plan Assets as at end of the year	0.00	0.00
Funded Status	-51431885.00	-39566660.00
Present value of unfunded obligation as at end of the year	-	0
Unfunded Actuarial (gains)/ losses	-	0
Unfunded Net Asset/ (Liability) recognised in Balance Sheet.	0.00	0.00

(d) Actuarial Gain/Loss on Plan Assets

Particulars	Current Year	Previous Year
Expected Interest Income	0.00	0.00
Actual Income on Plan Asset	0.00	0.00
Actuarial gain /(loss) for the year on Asset	0.00	0.00

(e) Expenses Recognized in Profit & Loss:

Particulars	Current Year	Previous Year
Past service cost	0.00	0.00
Current service cost	12038900.00	10070624.00
Interest cost	2996084.00	2787627.00
Expected Interest Income	0.00	0.00
Total Expenses recognised in Profit & Loss Account	15034984.00	12858251.00

(f) OCI Recognized:

Particulars	Current Year	Previous Year
Actuarial gain / (loss) for the year on Projected Benefit Obligation	-2880754.00	-9461721.00
Actuarial gain /(loss) for the year on Asset	0.00	0.00
Unrecognized actuarial gain/(loss) at the end of the year	-2880754.00	-9461721.00

(g) Principal actuarial assumption at the Balance Sheet Date (expressed as weighted average):

Particulars	Current Year	Previous Year
Discount Rate (per annum)	6.75%	7.60%
Rate of increase in compensation levels (per annum)	7.60%	7.70%
Expected Average remaining working lives of employees (years)	25.58	25.81
Method Used	Projected Unit Credit	Projected Unit Credit

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

(h) The quantitative sensitivity analysis on net liability recognized on account of change in significant assumptions:

Particulars	As at 31.03.2020	As at 31.03.2019
Discount Rate		
1.00% Increase	-376709.00	-1090487.00
1.00% decrease	382733.00	1159018.00
Future Salary increase		
1.00% Increase	1416137.00	1143630.00
1.00% decrease	-1359681.00	-1096410.00

As per Actuarial Certificate, sensitivities due to mortality & withdrawals are not material & hence impact of change has not been calculated.

(i) The following payments are expected payouts to the defined benefit plan in future years:

Particulars	As at 31.03.2020	As at 31.03.2019
Within 1 year	14988668.00	11283611.00
1-5 years	33096610.00	25691985.00
Beyond 5 years	14935297.00	13658688.00
Total expected payments	63020575.00	50634284.00

42 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) Foreign currency risk

The company operates internationally and business is transacted in several currencies. The export sales of company comprise around 40% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a combination of derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	As at 31st March 2020	As at 31st March 2019
a) Exposure on account of Financial Assets		
Trade receivables (net of bill discounted) (A)		
-In USD	4810510.33	4164953.15
-In Euro	597639.64	916992.02
-In GBP	0.00	41404.10
Amount hedged through forwards & options (B)		
-In USD	4810510.33	4164953.15
-In Euro	597639.64	916992.02
-In GBP	0.00	41404.10
Net Exposure to Foreign Currency Assets (C=A-B)		
-In USD	0.00	0.00
-In Euro	0.00	0.00

Particulars	As at 31st March 2020	As at 31st March 2019
(b) Exposure on account of Financial Liabilities		
Trade Payables (D)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
Amount Hedged through forwards & options(E)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
Net Exposure to Foreign Currency Liabilities F=(D-E)		
-In USD	0.00	0.00
-In Euro	0.00	0.00
Net Exposure to Foreign Currency Assets/(Liability) (C-F)		
-In USD	0.00	0.00
-In Euro	0.00	0.00

The following significant exchange rates applied during the year:

Particulars	2019-20 (Average exchange rate)	2018-19 (Average exchange rate)	2019-20 (Year end rates)	2018-19 (Year end rates)
INR/USD	72.44	67.31	75.32	69.55
INR/EURO	80.52	79.26	82.98	78.06

Foreign currency sensitivity

The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities on account of reasonably possible change in USD and Euro exchange rates (with all other variables held constant) will be as under:

Particulars	As at 31-Mar-20	As at 31-Mar-19
10% Strengthening/weakening of Euro against INR	0.00	0.00

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest. As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	As at 31st March 2020	As at 31st March 2019
Variable rate instruments		
Long term borrowings	1395948711.46	1768969072.33
Current maturities of long term debt	479839327.49	673973158.99
Short term borrowings	3997157159.22	3599813330.24

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31st March 2020	As at 31st March 2019
Increase/ decrease in 100 basis point	65,093,651.00	69,396,335.00

(iii) **Investment Risk**

The company does not actively trade equity investments. Equity investments are mainly held for strategic rather than trading purposes.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool.

The company plans to maintain sufficient cash to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at 31-Mar-20	As at 31-Mar-19
Borrowings		
0-1 years	479839327.49	673973158.99
2-3 years	1010705353.34	1,199,793,982.10
4-5 years	333418164.39	500,931,118.97
More than 5 years	178285506.79	279143341.04
Trade Payables		
0-1 years	877,617,624.83	1,037,110,346.89
2-3 years	0.00	0.00
3-5 years	0.00	0.00
More than 5 years	0.00	0.00
Other Financial liabilities		
0-1 years		
2-3 years	110,410,364.50	173,686,435.66
3-5 years	0.00	0.00
More than 5 years	0.00	0.00

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks.

The company also assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to overseas customers are generally covered by letters of credit.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company and allowance for lifetime expected credit loss:

Particulars	As at 31-Mar-20	As at 31-Mar-19
(a) Revenue from top five customers		
- Amount of sales	1,272,470,744.00	1,609,410,315.00
- % of Total sales	9.23	8.77
(b) Provision for doubtful debt		
- Balance at the beginning of the period	3760381.00	4362884.00
- Recognized during the year	13530561.00	-602503.00
- Balance at the end of the period	17290942.00	3760381.00

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed at Note 8.

Write off policy

The financial assets are written off in case there is no reasonable expectation of recovering from the financial asset.

43 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by Total capital. The Company's gearing ratio was as follows:

Particulars	Financial Year ended 31.03.2020	Financial Year ended 31.03.2019
Borrowings	6099299074.62	6345300402.33
Less: Cash and cash equivalents	54936793.87	49589792.32
Net debt	6044362280.75	6295710610.01
Total equity	2548603448.12	2710377805.46
Gearing ratio (Net debt to equity)	2.37	2.32

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year ended 31st March 2020.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019.

44 Impact of Covid-19 Pandemic

In March 2020, World Health Organization (WHO) has declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. Complying with the directives of Government, all the Spinning plants and offices of the Company has been under lock-down impacting its operations. The Company is monitoring the situation closely and the overall impact on the business of the Company will depend on future development which cannot be reliably predicted.

The Company has made intensive efforts to surpass the Covid challenge through an enhanced hygiene and adherence to the social distancing norms, use of masks and sanitizers etc. The Company is committed to ensure the safety and wellbeing of its employees.

In compliance with the relaxations given by the Ministry of Home Affairs (MHA) and after seeking approval from the concerned State Govt. authorities, wherever required, the Company started limited operation at its manufacturing facilities. With the easing of lockdown norms and opening up of markets, the capacity utilization of all of our manufacturing plants is gradually increasing over a period of time.

The Company has availed Covid-19 emergencies working capital loans and deferment of interest and installments from consortium bankers to meet temporary liquidity mismatch and maintain day to day operations.

The Company is continuously monitoring the impact on the operations and financials of the company and taking necessary steps in the best interest of its people, customers and communities and is confident that the demand situation will resume to its normalcy gradually.

45 Interest in other entities

The consolidated Financial statements present the consolidated accounts of Garg Acrylics Limited with its subsidiary Garg International.

Name of Entity	Activities	As at 31st March 2020	As at 31st March 2019
Garg International (Partnership Firm)	Trading	95%	95%

46 Assets pledged as Security:-

The Carrying amount of assets pledged as security for current and non-current borrowings are :-

	As at 31st March 2020	As at 31st March 2019
Current Assets		
Financial Assets		
Trade receivables	1,938,537,689.72	2,021,741,891.21
Non-Financial Assets		
Inventory	3,275,765,655.00	3,332,996,212.00
Total Current Assets Pledged as Security	5,214,303,344.72	5,354,738,103.21
Non Current Assets		
Property, Plant & Equipment	3,590,733,112.81	4,164,683,339.19
Total Non Current Assets Pledged as Security	3,590,733,112.81	4,164,683,339.19
Total Assets Pledged as Security	8,805,036,457.53	9,519,421,442.40

47 During the year the Income Tax authorities have carried out search & seizure action u/s 132(1) of the Income Tax Act 1961. The consequential proceedings are in progress. Pending these proceedings, no provision has been made in books for additional liability (amount presently not ascertainable) for tax, interest and penalty, if any.

48 For Disclosure mandated by Schedule III of the Companies Act, 2013, by way of additional information, refer below:

Name of the entity in the Group	Net assets i.e. total assets		Share in Profit (loss)		Share in Other		Share in Total	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
2019-20								
Parent								
Garg Acrylics Ltd	99.99%	2548361225	99.98%	-163506222.32	100.00%	1919043.00	99.98%	-161587179.32
Subsidiary								
Garg International	0.34%	8610890.39	-0.04%	69291.84	0.00%	0.00	-0.04%	69291.84
Non Controlling Interest	0.01%	242223.64	0.02%	-37178.01	0.00%	0.00	0.02%	-37178.01
2018-19								
Parent								
Garg Acrylics Ltd	99.98%	2709948404	99.17%	154511039.78	100.00%	6155417.21	99.20%	160666456.99
Subsidiary								
Garg International	0.35%	9504450.54	1.54%	2396862.10	0.00%	0.00	1.48%	2396862.10
Non Controlling Interest	0.02%	429401.65	0.04%	69003.86	0.00%	0.00	0.04%	69003.86

49 Figures in bracket indicate deductions.

For and on behalf of the Board of Directors

FOR MALHOTRA MANIK & ASSOCIATES

Chartered Accountants

C.A. MANIK MALHOTRA
PARTNER

Place : Ludhiana
Dated : 27-07-2020

Rajiv Garg
Mg.Director

Ujjwal Garg
Wholtime Director

Ramandeep Singh
Chief Financial Officer

Ridhima Sood
Company Secretary

Annexure**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1.	Sl. No.	1
2.	Name of the subsidiary	Garg International
3.	The date since when subsidiary was acquired	01.04.2010
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not different
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
6.	Share capital	Rs. 8610890
7.	Reserves & Surplus	-----
8.	Total assets	Rs. 17893365
9.	Total Liabilities	Rs. 17893365
10.	Investments	-----
11.	Turnover	Rs. Nil
12.	Profit before taxation	Rs. 69292
13.	Provision for taxation	Rs. 21619
14.	Profit after taxation	Rs. 47673
15.	Proposed Dividend	-----
16.	Extent of shareholding (In percentage)	0.95

1. Names of subsidiaries which are yet to commence operations-N.A

2. Names of subsidiaries which have been liquidated or sold during the year-N.A

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	
1. Latest audited Balance Sheet Date	-----
2. Date on which the Associate or Joint Venture was associated or Acquired	-----
3. Shares of Associate/Joint Ventures held by the company on the year end	
i. No.	-----
ii. Amount of Investment in Associates/Joint Venture	-----
iii. Extend of Holding (in Percentage)	-----
4. Description of how there is significant influence	-----
5. Reason why the associate/joint venture is not consolidated	-----
6. Net worth attributable to shareholding as per latest audited Balance Sheet	-----
7. Profit/Loss for the year	-----
i. Considered in Consolidation	-----
ii. Not Considered in Consolidation	-----

1. Names of associates or joint ventures which are yet to commence operations- N.A

2. Names of associates or joint ventures which have been liquidated or sold during the year- Nil

Subject to our separate Report of even date

For and on behalf of the Board of Directors

FOR MALHOTRA MANIK & ASSOCIATES

Chartered Accountants

C.A. MANIK MALHOTRA
PARTNERPlace : Ludhiana
Dated : 27-07-2020Rajiv Garg
Mg.DirectorRamandeep Singh
Chief Financial OfficerUjjwal Garg
Wholetime DirectorRidhima Sood
Company Secretary

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